

**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](mailto: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](http://www.potentialindia.net)

E-mail: [lalit@potentialindia.net](mailto:lalit@potentialindia.net)

## NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company will be held on Monday, the 15<sup>th</sup> 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 31<sup>st</sup> 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.

**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

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

## **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.

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**

sd/-

Place: Delhi  
Date: 14.04.2014

**(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 31<sup>st</sup> March 2014.

### **FINANCIAL RESULTS**

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

Particulars	Year ended 31 <sup>st</sup> March, 2014 (Rs.)	Year ended 31 <sup>st</sup> 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.



## **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 31<sup>st</sup> March, 2014 and of the profits of the Company for the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> 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.



## CORPORATE GOVERNANCE REPORT

### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good corporate governance. The Company respects the right of its shareholders to information on the performance of the Company and it is its endeavor to maximize the long-term value of the shareholders of the Company.

### B. BOARD OF DIRECTORS

The Company is an optimum mix of Executive and independent Directors who have in depth knowledge of market conditions and have expertise in their respective fields. The composition of the Board confirms with the requirement of Clause 49 of the Listing Agreement... The present composition of Directors is as follows:

a. Independent non-executive Directors	Two
b. Non Executive Director	One
c. Executive Director	One
d. Total	Four

### C. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 8 times during the financial year 2013-14. The attendance of Directors in the Board meetings was as under:

S. No.	Name of Director	Attendance Particulars		
		No. of Board meetings held during their tenures	No. of Board meetings attended	Attendance at the last AGM
1	Bharat Bhushan Sahny	1	1	N.A.
2	Manoj Gupta	8	8	Present
3	Vijay Kumar	8	7	Present
4	Srichand Tekchand Gerela	1	1	N.A.
5	Pawan Kumar	7	7	Present

### D. AUDIT COMMITTEE

The Audit Committee was formed in the meeting of Board of Directors held on 28<sup>th</sup> February, 2014. The Audit Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Audit Committee by the Board from time to time. Since committee got formed last financial year only, the audit committee has not met during the financial year. The name of the Directors who are members of the audit committee are given below:

Name	Designation	Status
Mr. Srichand Tekchand Gerela	Non Executive Independent Director	Chairman
Mr. Bharat Bhushan Sahny	Non Executive Independent Director	Member
Mr. Manoj Gupta	Managing Director	Member

All members of the Audit Committee are financially literate.

### E. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("Shareholders / Investors Grievance Committee") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held February 28, 2014.

The Investor Grievances Committee comprises the following Directors:

Name	Designation	Status
Mr. Bharat Bhushan Sahny	Non Executive Independent Director	Chairman
Mr. Srichand Tekchand Gerela	Non Executive Independent Director	Member
Mr. Vijay Kumar	Non Executive Director	Member

#### F. NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration committee was approved at a Meeting of the Board of Directors held on April 14, 2014. The said committee is comprised as under:

Name	Designation	Status
Mr. Bharat Bhushan Sahny	Non Executive Independent Director	Chairman
Mr. Srichand Tekchand Gerela	Non Executive Independent Director	Member
Mr. Vijay Kumar	Non Executive Director	Member

#### G. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are given below:

YEAR	LOCATION	DATE	DAY	TIME
2013	143, Jagriti Enclave, Delhi- 110092	30.09.2013	Monday	11.30 A.M
2012	143, Jagriti Enclave, Delhi- 110092	28.09.2012	Friday	11.30 A.M
2011	143, Jagriti Enclave, Delhi- 110092	29.09.2011	Thursday	11.00 A.M

EGM of the Company was held on December 30, 2013 at 11:00 AM to issue the shares on preferential basis.

#### H. DISCLOSURES

- The Company has taken the approval from the shareholders for the preferential issue of 350000 shares of Rs. 10/- each aggregating Rs. 35,00,000/- in the EGM dated December 30, 2013 and allotted the shares in the Board Meeting dated January 13, 2014.
- The Company has not entered into any transaction of material nature with promoters, directors or the management or their relatives etc. that may have any potential conflict with the interest of the Company except few transactions mentioned in schedules.
- The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital market during the year. There were no penalties imposed nor any strictures passed on the Company by any statutory authority relating to above. Our Company is in the process of obtaining consent order for defaults under Takeover Regulations, 2011. Our Company had made suo-moto consent application for delay in filing of disclosures required under regulation 6 & 8 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 for a period from 1997 to 2011 and Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 for the years 2012 and 2013.

#### I. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management.

#### J. MEANS OF COMMUNICATION

The quarterly results are published in the newspapers and are not being sent to each household of shareholders. The results are usually published in Pioneer (in Hindi) and Pioneer (in English).

#### K. GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of AGM	15 <sup>th</sup> September, 2014, 11.30 AM at 143, Jagriti Enclave, Delhi- 110092
Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March every year
Adoption of quarterly results	6 <sup>th</sup> week of month
For the quarter ended	
30 <sup>th</sup> June 2013	14 <sup>th</sup> August 2013
30 <sup>th</sup> September 2013	14 <sup>th</sup> November 2013
31 <sup>st</sup> December 2013	12 <sup>th</sup> February 2014
31 <sup>st</sup> March 2014	14 <sup>th</sup> April 2014
Date of Book Closure	9 <sup>th</sup> September, 2014 to 15 <sup>th</sup> September, 2014 (both days inclusive)
ISIN number of NSDL/CDSL	INE919P01011
Address for Correspondence	143, Jagriti Enclave, Delhi- 110092
Registrar and Share Transfer Agent	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
Registered Office (Company)	143, Jagriti Enclave, Delhi- 110092
Stock Code	INE919P01011
Delhi Stock Exchange	4041, POTENTIAL

A Committee of Directors has been constituted to approve the transfer, transmission, dematerialization & re-materialization of shares, issue of duplicate share certificates and allied matters. The Company's Registrars and Share Transfer Agent M/s Skyline Financial Services Private Limited have adequate infrastructure to process share transfer and dematerialization/rematerialization of shares.

A predetermined process cycle at regular interval ensures transfer of shares expeditiously and thereafter an option letter is issued to the transferee(s) for dematerialization.

The shares of the Company are listed at Delhi Stock Exchange Association Limited. The Company has paid the listing fee of the Stock Exchanges.

There are no outstanding ADRs/ GDRs/ Warrants or any convertible Debentures as on 31st March, 2014.

#### SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2014

Category	No. of Shares	% of Shareholding
Promoters & Promoter Group	6,19,580	16.75%
Public	30,80,420	83.25%
<b>Total</b>	<b>37,00,000</b>	<b>100.00</b>

The Shares of the Company are in dematerialized Form and held with the Registrar & share Transfer Agent M/s Skyline Financial Services P. Ltd. The details of dematerialization of shares of the Company are as follows:

Category	No. of Shares	No. of shares held in dematerialized Form	% of Shareholding
Promoters & Promoter Group	6,19,580	619580	100.00%
Public	30,80,420	2899010	94.11%
<b>Total</b>	<b>37,00,000</b>	<b>3518590</b>	<b>95.09%</b>

DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2014

Shareholding of value in Rupees.	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Total Shares
1-5000	736	89.98	79500	2.15
5001-10000	7	0.86	6600	0.18
10001-20000	8	0.98	13000	0.35
20001-30000	10	1.22	30000	0.81
30001-40000	3	0.37	11300	0.31
40001-50000	2	0.24	9010	0.24
50001-100000	3	0.37	24580	0.66
100001 and above	49	5.99	3526010	95.30
<b>G. TOTAL</b>	<b>818</b>	<b>100.00</b>	<b>3700000</b>	<b>100.00</b>

Statement showing details of locked-in shares

S. No.	Name of Shareholder	No. of Locked-in shares	Shares as a %age of total No. of shares
1	Kanav Gupta	300000	8.11
2	Saurabh Jindal	305000	8.24
3	Neelam Aggarwal	120000	3.24
4	Aabha Garg	60000	1.62
5	Anirudh Sharda jointly with, Akansha Sharda	60000	1.62
6	Sharan Bansal	30000	0.81
7	Akhil Pavan Aggarwal	30000	0.81
8	Amrish Pavan Aggarwal HUF	30000	0.81
9	Angad Singh	100000	2.70
10	Anjana Jain	60000	1.62
11	Daljit Khosla	40000	1.08
12	Davinder Nath Khosla	60000	1.62
13	Deepika Jain	60000	1.62
14	Geeta Bathla	60000	1.62
15	Gurmeet Singh	100000	2.70
16	Yatin Bansal	60000	1.62
17	Keval Krishan Bansal	60000	1.62
18	RACHNA BATHLA	60000	1.62
19	Nitin goel	60000	1.62
20	Pawan Baijnath Aggarwal HUF	30000	0.81
21	Rakhi Jain	60000	1.62
22	Ranjeet kaur	50000	1.35
23	Rekha Aggarwal	120000	3.24
24	Sanjiv Bansal	60000	1.62
25	Sarang Kaur Khandpur	50000	1.35
26	Suman Aggarwal	120000	3.24
27	Suresh Chand Jain HUF	60000	1.62

29	Vidwat Jain	60000	1.62
30	Anand Prakash	60000	1.62
31	Daya Rani	60000	1.62
32	Deepti Goel	60000	1.62
33	Vihang Garg	60000	1.62
34	Shashank Agarwal	120000	3.24
35	Shalabh Agarwal	120000	3.24
36	Anshu Agarwal	60000	1.62
37	Taru Agarwal	60000	1.62
38	Sugam Bathla	60000	1.62
39	Subhash Chandra Raheja	50000	1.35
40	Umesh gupta	20000	0.54
41	Uma Gupta	20000	0.54
42	Ankita Gupta	10000	0.27
43	Dinesh Gupta	15000	0.41
44	Anup Kumar Goyal	60000	1.62
45	Gopal Das Bansal	120000	3.24
46	Shashank Goyal HUF	120000	3.24
47	Mayank agarwal	50000	1.35
48	Rajendra Kumar Bansal	50000	1.35

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2014.

**By Order of the Board  
For Potential Investments and Finance Limited  
CIN: L67120DL1983PLC014972**

Place: Delhi  
Date: 14.04.2014

sd/-  
(Manoj Gupta)  
Director

sd/-  
(Vijay Kumar)  
Director

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
**Potential Investments and Finance Limited**  
143, Jagriti Enclave, Delhi- 110092

We have examined the compliance of conditions of corporate governance by M/s Potential Investments and Finance Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with The Delhi Stock Exchange Association Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to explanation given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s VAPS & Co.  
Chartered Accountants

-sd-

(Vipin Aggarwal)  
Membership No. – 082498

Date: 14.04.2014  
Place: Delhi



## Independent Auditors' Report

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

1. We have audited the accompanying financial statements of Potential Investments & Finance Limited which comprise the Balance Sheet as at March 31, 2014, 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 31<sup>st</sup> March 2014.
- ii) In the case of the Profit & Loss Statement, of the Profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flows 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 and the Cash Flow 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 and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the ministry of corporate affairs in respect of section 133 of the Companies act, 2013.
  - v) On the Basis of written representations received from the Directors, as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 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

Sd/-  
(Vipin Aggarwal)  
Partner  
M.N. 082498

Place: Delhi  
Dated: 14<sup>th</sup> April, 2014

## 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 two parties covered in the register maintained under section 301 of the companies Act, 1956. The Maximum amount involved during the year Rs.150.00 Lacs and the year end balance of loan taken was Rs 150.00 Lacs. In our opinion the above mentioned party provide interest free loan to Company 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 has not taken any term loan which is outstanding 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 31<sup>st</sup> March, 2014 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 no accumulated losses as at 31<sup>st</sup> March 2014 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. The company has not taken any term loan.
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 made preferential allotment of 6,05,000 Equity Shares of Rs. 10/- each at par 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

Sd/-  
**(Vipin Aggarwal)**  
**Partner**  
M.N. 082498

Place: Delhi  
Dated: 14<sup>th</sup> April, 2014

POTENTIAL INVESTMENTS & FINANCE LIMITED

143, Jagriti Enclave, Delhi - 110092

CIN : L67120DL1983PLC014972

BALANCE SHEET AS AT 31ST MARCH, 2014			
			(Figures in Rs.)
PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	37,000,000	2,000,000
(b) Reserves and Surplus	2	(7,616,740)	(12,874,164)
		29,383,260	(10,874,164)
<b>2. Non Current Liability</b>			
(a) Long Term Borrowing	3	15,000,000	-
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	4	375,032	56,009,308
(b) Trade Payables	5	55,845,632	9,208,844
(c) Other Current Liabilities	6	2,152,696	975,000
		58,373,360	66,193,152
TOTAL		102,756,620	55,318,988
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		366,654	405,411
(b) Non- Current Investment	8	5,666,842	19,407,000
		6,033,497	19,812,411
<b>2. Current Assets</b>			
(a) Inventories	9	5,229,235	-
(b) Trade Receivables	10	74,644,269	20,347,630
(c) Cash and Bank Balances	11	1,377,212	158,947
(d) Short-term Loans and Advances	12	15,472,408	15,000,000
		96,723,124	35,506,577
TOTAL		102,756,620	55,318,988
		-	-

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

-Sd/-

(Vipin Aggarwal)

Partner

Membership No. 082498

Delhi.

14th April 2014

For and on behalf of the Board

Sd/-

(Manoj Gupta)

Director

Sd/-

(Vijay Kumar Jindal)

Director

**POTENTIAL INVESTMENTS & FINANCE LIMITED**

143, Jagriti Enclave, Delhi - 110092

CIN : L67120DL1983PLC014972

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014			
(Figures in Rs.)			
PARTICULARS	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>I. REVENUES</b>			
(a) Revenue from Operations	13	498,071,870	-
(b) Other Income	14	1,137,485	65,926,045
Total Revenues (a)+(b)		499,209,355	65,926,045
<b>II. EXPENSES</b>			
Cost of Material Sold	15	489,301,097	-
Changes in Inventories	16	(5,229,235)	56,205,228
Employee Benefits Expenses	17	609,500	-
Finance Costs	18	52,591	299,087
Depreciation and Amortization	7	73,108	77,398
Other Expenses	19	7,123,180	8,960,955
Total Expenses		491,930,240	65,542,668
Profit Before Tax		7,279,114	383,377
Tax Expenses:			
(a) Current Tax		2,021,690	-
(b) Deferred Tax		-	-
Profit/ (Loss) for the year		5,257,424	383,377
Earnings per Equity Share of Rs. 10 each:			
Basic		1.42	1.92
Diluted		1.42	1.92
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

For and on behalf of the Board

Sd/-  
**(Vipin Aggarwal)**  
Partner  
Membership No. 082498  
Delhi,  
14th April 2014

Sd/-  
**(Manoj Gupta)**  
Director

Sd/-  
**(Vijay Kumar Jindal)**  
Director

**POTENTIAL INVESTMENTS & FINANCE LIMITED**

143, Jagriti Enclave, Delhi - 110092

CIN : L67120DL1983PLC014972

**Notes on Financial Statements for the Year ended 31st March, 2014**

**Note 1 - SHARE CAPITAL:**

( Figures in Rs.)

	As at 31st March 2014	As at 31st March 2013
<b>A. Authorized, Issued, Subscribed and Paid-up Share Capital</b>		
Authorized:		
40,00,000 (Previous year 40,00,000) Equity Shares of Rs.10 each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
Issued, Subscribed & Paid up:		
37,00,000 (Previous year 2,00,000) Equity Shares of Rs.10 each fully paid	37,000,000	2,000,000
Total	<u>37,000,000</u>	<u>2,000,000</u>

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

Name of Shareholder	As at 31/03/2014		As at 31/03/2013	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Kanav Gupta	300,000	8.11	-	-
Surabh Jindal	305,000	8.24	-	-

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 2014	As at 31st March 2013
(a) Surplus:		
Opening balance	(12,874,164)	(13,257,541)
Add: Net Profit for the year	5,257,424	383,377
Closing Balance	<u>(7,616,740)</u>	<u>(12,874,164)</u>

**Note 3 - Long Term Borrowing**

	As at 31st March 2014	As at 31st March 2013
Unsecured ( Interest Free)		
Loan From Directors	8,000,000	-
Loan From Corporate Bodies	7,000,000	-
	<u>15,000,000</u>	<u>-</u>



**Note 4 - Short-term Borrowings**

	As at 31st March 2014	As at 31st March 2013
Secured :		
Working Capital Loans repayable on demand		
From Banks	-	-
Unsecured :		
From Directors	375,032	56,009,308
Total	<u>375,032</u>	<u>56,009,308</u>

**Note 5 - Trade Payables**

	As at 31st March 2014	As at 31st March 2013
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Other Entities	55,845,632	9,208,844
Total	<u>55,845,632</u>	<u>9,208,844</u>

**Note 6 - Other Current Liabilities**

	As at 31st March 2014	As at 31st March 2013
(a) Statutory dues Payables	29,882	-
(b) Other Payables	2,122,814	975,000
Total	<u>2,152,696</u>	<u>975,000</u>

**Note 8 - Non - Current Investments:**

	As at 31st March 2014	As at 31st March 2013
(a) Unquoted		
Investments in Associates		
1. Gran Overseas Limited	-	19,407,000
(Previous Year : 6,46,900) Equity Shares of Rs. 10 each		
(b) Quoted		
(b) Investments in Strides Arcolab Ltd	5,666,842	-
15000 Equity Shares of Rs. 10 each		
(Market Value as on 31.03.2014 (Rs 387.25/share) Rs 5808750/-)		
Total	<u>5,666,842</u>	<u>19,407,000</u>

**Note 9 - Inventories :**

	As at 31st March 2014	As at 31st March 2013
(a) Stock - in Trade	5,229,235	-
Total	<u>5,229,235</u>	<u>-</u>
Details of Stock in Trade :		
Iron - Steel	<u>5,229,235</u>	<u>-</u>

For Mode of valuation, refer Annexure I

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

M/S POTENTIAL INVESTMENT & FINANCE LIMITED

143, Jagriti Enclave, New Delhi - 110092

CIN : L67120DL1983PLC014972

Note : 7 - Fixed Assets

PARTICULARS	Rate %	Balance as at		GROSS BLOCK			DEPRECIATION			NET BLOCK		
		1.04.13	31.03.14	Balance as at 30.09.13	Disposals	Balance as at 31.03.14	Upto 1.04.13	For the Year	Adj.	Upto 31.03.14	Balance as at 1.04.13	Balance as at 31.03.14
<b>BLOCK 'A'</b>												
Car	15%	600,000	600,000	-	-	600,000	199,013	60,148	-	259,161	400,988	340,839
Motor Cycle	15%	-	-	-	-	-	-	-	-	-	-	-
Battery	15%	-	-	-	-	-	-	-	-	-	-	-
Cycle	15%	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	15%	-	-	-	-	-	-	-	-	-	-	-
<b>BLOCK 'B'</b>												
Computer	60%	39,500	73,850	-	-	73,850	35,076	12,959	-	48,035	4,424	25,815
<b>Total</b>		<b>639,500</b>	<b>673,850</b>	<b>-</b>	<b>-</b>	<b>673,850</b>	<b>234,089</b>	<b>73,108</b>	<b>-</b>	<b>307,196</b>	<b>405,412</b>	<b>366,654</b>
		<b>3,523,403</b>	<b>639,500</b>	<b>-</b>	<b>2,883,903</b>	<b>639,500</b>	<b>773,125</b>	<b>77,399</b>	<b>616,435</b>	<b>234,089</b>	<b>2,750,278</b>	<b>405,412</b>

**Note 10 - Trade Receivables :**

	As at 31st March 2014	As at 31st March 2013
Outstanding for a period exceeding six months (from the due date) Unsecured, Considered Good	15,847,630	20,347,630
Outstanding for a period less than six months (from the due date) Unsecured, Considered Good	58,796,639	-
Total	<u>74,644,269</u>	<u>20,347,630</u>

**Note 11 - Cash and Bank Balances:**

	As at 31st March 2014	As at 31st March 2013
(i) Cash and Cash Equivalents :		
a. Balance with Banks:	761,227	33,302
b. Cash on hand	615,984	125,645
Total	<u>1,377,212</u>	<u>158,947</u>

**Note 12 - Short Term Loans and Advances:**

	As at 31st March 2014	As at 31st March 2013
(a) Security Deposits Unsecured, considered good	100,000	-
(b) Others Loans and Advances Unsecured, considered good	15,372,408	15,000,000
Total	<u>15,472,408.00</u>	<u>15,000,000.00</u>

**Note 13 - Revenue from Operations:**

	As at 31st March 2014	As at 31st March 2013
Sale of Products :		
(i) Traded Goods	498,071,870	-
Total	<u>498,071,870</u>	<u>-</u>
Detail of Sale of Products:		
Traded Goods		
Iron - Steel	498,071,870	-

**Note 14 - Other Incomes**

	As at 31st March 2014	As at 31st March 2013
Interest Income	38,075	-
Profit on Sale of Fixed Assets	-	263,352
Misc Income	3,492	65,662,693
Profit on Sale of Forward & Option Contracts	449,018	-
Profit on Sale of Shares	646,900	-
Total	<u>1,137,485</u>	<u>65,926,045</u>

**Note 15 - Cost of Material Sold :**

	As at 31st March 2014	As at 31st March 2013
Opening Stock:		
(a) Traded Goods	-	-
Purchases of Trading Goods	489,301,097	-
Closing Stock:		
(a) Traded Goods	-	-
	<u>489,301,097</u>	<u>-</u>
Details of Purchases of Stock in Trade :		
Iron - Steel	<u>489,301,097</u>	<u>-</u>

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

	As at 31st March 2014	As at 31st March 2013
Opening Stock:		
(a) Traded Goods	-	56,205,228
Closing Stock:		
(a) Traded Goods	5,229,235	-
Changes in Inventories	<u>(5,229,235)</u>	<u>56,205,228</u>

**Note 17 - Employees Benefit Expenses :**

	As at 31st March 2014	As at 31st March 2013
Salaries, Wages, Bonus, etc.	571,000	-
Employee Welfare expenses	38,500	-
Total	<u>609,500</u>	<u>-</u>

**Note 18 - Finance Costs:**

	As at 31st March 2014	As at 31st March 2013
Interest to Others	3,157	-
Bank charges	49,434	95,965
Interest to Bank	-	203,122
Total	<u>52,591</u>	<u>299,087</u>

**Note 19 - Other Expenses:**

	As at 31st March 2014	As at 31st March 2013
Travelling & Conveyance Expenses	16,250	28,500
Rent, Rates & Taxes	189,058	38,257
Legal and Professional Charges	86,690	26,243
Printing & Stationery	29,620	4,700
Postage & telephone	-	-
Loading & Unloading	285,596	-
Advertisement	60,233	-
Repair and maintenance Others	-	-
Freight & Cartage	1,721,764	-
Jobwork	24,356	-
Additional Sales Tax Demand	538,554	-
Income Tax Demand	2,000	-

Bad Debts Written off	-	6,065,000
Rebate & Discounts	2,233,162	
Entry Tax on Purchase	1,429,401	
Miscellaneous Expenses	394,136	2,773,255
Auditors' Remunerations (a)	112,360	25,000
Total	7,123,180	8,960,955
(a) Details of payment to Auditors:		
Audit Fee	112,360	15,000
Tax Audit Fee	-	5,000
Other Matters	-	5,000
Total	112,360	25,000

**Note 20 - Related Party Disclosure :**

**A. List of Related Parties:**

- (i) Key Managerial Personnel:  
Mr. Manoj Gupta
- (ii) Relatives of Key Managerial Personnel :  
M/S Gran Overseas Limited

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

Nature of Transactions	As at 31st March 2014	As at 31st March 2013
<b>Expenses</b>		
Managerial Remuneration	280,000.00	-
Interest on Loans	-	-
Purchases of Goods	-	-
Sale of Goods	-	-

**Note 21 - Expenditure in Foreign Currency :**

NIL

NIL

**Note 22 - Earnings in Foreign Currency :**

NIL

NIL

**Note 23 - Contingent Liabilities and Commitments**

NIL

NIL

**Note 24**

As at 31-3-2014 based on the information provided by the company had no outstanding dues to Micro Small and Medium enterprises undertakings (previous year Nil)

**Note 25**

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

Sd/-

(Vipin Aggarwal)

Partner

Membership No. 082498

Delhi,

14th April 2014

Sd/-

(Manoj Gupta)

Director

Sd/-

(Vijay Kumar Jindal)

Director

POTENTIAL INVESTMENTS & FINANCE LIMITED

143, Jagriti Enclave, Delhi - 110092

CIN - L67120DL1983PLC014972

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

S.No.	PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
1	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Income Tax	7,279,114	383,377
	Add:		
	Depreciation	73,108	77,398
	Am. Asset Written Off	-	-
	Interest & Finance Charges	52,591	299,087
		7,404,813	759,862
	Less:		
	Interest and other Incomes	1,137,485	65,926,045
	<b>Operating Profit Before Working Capital Changes</b>	6,267,328	(65,166,183)
	<b>Adjustments For Working Capital</b>		
	(Increase) / Decrease In Stocks	(5,329,235)	56,205,228
	(Increase) / Decrease In Other Long term assets	13,740,158	-
	(Increase) / Decrease In Trade receivables	(54,296,639)	20,248,755
	(Increase) / Decrease In Other Current Assets	-	-
	(Increase) / Decrease In Loans & Advances	(472,408)	50,806,156
	Increase / (Decrease) In Current Liabilities	47,814,484	(45,555,409)
	<b>Cash Generated From Operations</b>	7,823,688	16,538,547
	Earlier Year Adjustments	-	-
	Less: Taxes Paid	2,021,690	-
	<b>Net Cash Flow from /used in) Operating Activities (A)</b>	5,801,998	16,538,547
2	<b>Cash Flow From Investing Activities</b>		
	<b>Sources</b>		
	Sale of Fixed Assets	-	2,267,468
	Sale of Current Investments	-	-
	Refund of Deposit	-	-
	Interest Received / Other Income	1,137,485	65,926,045
		1,137,485	68,193,513
	<b>Uses</b>		
	Purchase Of Fixed Assets	34,350	-
	Purchase Of Fixed Investments	-	-
	Preliminary Expense	-	-
	<b>Net Cash Used In Investing Activities (B)</b>	1,103,135	68,193,513
3	<b>Cash Flow From Financing Activities</b>		
	Proceeds From Issue Of Share Capital	35,000,000	-
	Proceeds From Share Application Money	-	(128,669,308)
	Increase in Reserve & Surplus	-	-
	Increase In Borrowings	(40,634,276)	43,970,769
	Increase In Uncured Loan	-	-
	Less Interest Paid	52,591	299,087
	<b>Net Cash Flow From Financing Activities (C)</b>	(5,686,867)	(84,997,626)
	<b>Net Cash Flow (A + B + C)</b>	1,218,266	(265,567)
	Add: Opening Cash & Cash Equivalents	158,947	424,512
	<b>Closing Cash &amp; Cash Equivalents</b>	1,377,213	158,946

Compiled and Found Correct as per Book of Accounts  
Firm Registration No: 003612N  
For VAPS & Co.  
Chartered Accountants

sd/-  
Vipin Aggarwal  
Partner  
M No. 082498

For and on behalf of Board of Directors

sd/-  
(Manoj Gupta)  
Director

sd/-  
(Vijay Kumar Jindal)  
Director