

**Quarterly Compliance Report on Corporate Governance under
Clause 49 of the Listing Agreement**

Name of the Company: POTENTIAL INVESTMENTS AND FINANCE LIMITED
Quarter ending on: December 31, 2014

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
BOARD OF DIRECTORS :	49 II		
(A) Composition of Board			
1. Whether not less than 50% of the Directors are Non-Executive Directors(NED)		YES	
2. Whether the Board comprises of Independent Directors as stipulated under Clause 49(II)(A)(2) of the Listing Agreement		YES	
(B) Independent Directors			
1. Whether Independent Directors fulfills all criteria as stipulated under Clause 49(II)(B)(1) of the Listing Agreement		YES	
2. Whether Independent Director holds positions of independent directors as per limit prescribed under Clause 49(II)(B)(2) of the Listing Agreement		YES	
3. Whether tenure of Independent Director is in accordance with Companies Act, 2013 and clarification/ circulars issued by the Ministry of Corporate Affairs.		YES	
4. Whether company has issued a formal letter of appointment to independent directors in the manner provided in the Companies Act, 2013 and disclosed terms & conditions on website of the company.		YES	

5. Whether performance of Independent Directors have been evaluated as stipulated under Clause 49(II)(B)(5) of the Listing Agreement		YES	
6. Whether separate meeting of the Independent Directors have been convened as stipulated under Clause 49(II)(B)(6) of the Listing Agreement		YES	
7. Whether Independent Directors have been familiarize with the company, their roles, rights, responsibilities, nature of industry, business model etc.		YES	
(C) Non-executive Directors' Compensation & Disclosures			
Whether all fees/compensation, if any paid to non-executive directors, including Independent Directors, have been fixed by the Board of Directors and whether previous approval of shareholders has been taken in general meeting.		N.A.	No fees/compensation paid to non-executive directors including independent director
(D) Other Provisions as to Board and Committees			
1. Whether Board meets at least four times a year, with a maximum gap of one hundred and twenty days between any two meeting		YES	
2. Whether a Director was a member in not more than 10 Committees or acts as Chairman of not more than five committees across all Companies in which he is a Director.		YES	
3. Whether the Board periodically reviews compliances reports of all laws applicable to the company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.		YES	
(E) Code of Conduct			
1. Whether Board has laid down a code of conduct		YES	

2. Whether All Board Members And Senior Management Personnel Have Affirmed Compliance With The Code On An Annual Basis. Whether the Annual Report contains a declaration to this effect signed by the CEO.		YES	
3. Whether Code of Conduct has suitably incorporated the duties of Independent Directors as laid in the Companies Act, 2013.		YES	
(F) Whistle Blower Policy			
1. Whether the company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.		YES	
2. Whether this mechanism has provided adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provided direct access to the Chairman of the Audit Committee in exceptional cases.		YES	
3. Whether details of establishment of such mechanism has been disclosed on company's website and in the Board's report.		Yes	
AUDIT COMMITTEE :	49 (III)		
(A) Qualified & Independent Audit Committee			
1. Whether Audit Committee has minimum three directors as members and two-thirds of the members of audit committee are independent directors.		YES	
2. Whether all members of audit committee are financially literate and at least one member has accounting or related financial management expertise.		YES	
3. Whether Chairman of The Audit Committee Is An Independent Director.		YES	

4. Whether Chairman was present at Annual General Meeting (AGM) to answer shareholders queries.		YES	
5. Whether Finance Director, Head of Internal Audit and a representative of the statutory auditor were present as invitees for the meeting.		YES	Company has no Finance Director, hence CFO was present.
(B) Meeting of Audit Committee			
Whether Audit Committee met at least four times a year and not more than four months have elapsed between two meetings and whether Audit Committee met the requisite quorum requirements.		YES	
(C) Powers of Audit Committee			
Whether powers of Audit Committee included those specified in Clause 49(III)(C)		YES	
(D) Role of Audit Committee			
Whether role of Audit Committee includes items specified in Clause 49(III)(D)		YES	
(E) Review of Information by Audit Committee			
Whether Audit Committee reviewed the information as specified in Clause 49(III)(E) of the Listing Agreement.		YES	
NOMINATION AND REMUNERATION COMMITTEE :		49 (IV)	
A. Whether Nomination and Remuneration Committee has minimum three directors, all of whom shall be non-executive directors and at least half shall be independent and Chairman of the Committee shall be an independent director.		YES	
B. Whether role of Nomination and Remuneration Committee includes items specified in Clause 49(IV)(B).		YES	
C. Whether Chairman of the Nomination and		YES	


Remuneration Committee was present at the Annual General Meeting to answer shareholders' queries.			
SUBSIDIARY COMPANIES :	49 (V)		
A. Whether at least one independent director on the Board of Directors of the holding company is a director on the Board of Directors of a material non listed Indian subsidiary company.		N.A.	
B. Whether the Audit Committee of the listed holding company reviews the financial statements, in particulars, the investments made by the unlisted subsidiary company.		N.A.	
C. Whether the minutes of the Board meetings of the unlisted subsidiary company is placed at the Board meeting of the listed holding company.		N.A.	
D. Whether company has formulated a policy for determining 'material' subsidiaries and such policy shall be disclosed on the company's website and a web link thereto be provided in the Annual Report.		N.A.	
RISK MANAGEMENT :	49 (VI)		
Whether company has complied with provisions related to risk management as stipulated under Clause 49(VI) of Listing Agreement.		YES	
RELATED PARTY TRANSACTIONS :	49 (VII)		
Whether company has complied with provisions related to related party transactions as stipulated under Clause 49(VII) of Listing Agreement.		N.A.	
DISCLOSURES :	49 (VIII)		
(A) Basis of Related Party Transactions Whether related party transactions/material individual transactions are placed before the Audit Committee with necessary details and justification, to the extent necessary, as specified in Clause 49(VIII)(A) of the Listing Agreement.		YES	
(B) Disclosure of Accounting Treatment		N.A.	Prescribed

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, whether the fact has been disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.			Accounting Standards have been followed
(C) Remuneration of Directors			
1. Whether pecuniary relationship or transactions of the non-executive directors vis-à-vis the company has been disclosed in the Annual Report?		N.A.	There is no pecuniary relationship or transaction of NEDs with company
2. Whether the disclosures on the remuneration of directors as stipulated under Clause 49(VIII)(C)(2) has been complied.		Yes	
3. Whether company has published its criteria of making payments to non-executive directors in its annual report and put up on the company's website.		N.A.	No payments have been made to NEDs
4. Whether company has disclosed the number of shares and convertible instruments held by non-executive directors in the annual report.		N.A.	NEDs does not hold any shares or convertible instruments
(D) Management			
1. Whether Management Discussion and Analysis report includes the matters as stipulated under Clause 49(VIII)(D)(1) of the listing agreement.		Yes	
2. Whether Senior management had made disclosures to the board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the company at large.		N.A.	There are no material financial and commercial transactions between the Sr. Mgt and Company, which may have potential conflict.

3. Whether Code of conduct for the Board of Directors and the senior management has been disclosed on the website of the company.		YES	
(E) Shareholders			
Whether information as stipulated under Clause 49(VIII)(E)(1) of the listing agreement at the time of appointment of new directors or re-appointment of a director have been provided to the shareholders.		YES	
1. Whether disclosure of relationships between directors inter-se has been made in the Annual Report, notice of appointment of a director, prospectus and letter of offer for issuances and any related filings has been made to the stock exchanges where the company is listed.		YES	
2. Whether quarterly results and presentations made by the company to analysts shall be put on company's web-site, or has been sent in such a form so as to enable the stock exchange on which the company is listed to put it on its own web-site.		YES	
3. Whether 'Stakeholders Relationship Committee' under chairmanship of non-executive has been formed to look into redressal of grievances of shareholders, debenture holders and other security holders.		YES	
4. Whether company has delegated power of share transfer to an officer or a committee or to the registrar and share transfer agents.		YES	
(F) Proceeds from Public Issues, Rights Issues, Preferential Issues etc. Whether necessary disclosure has been made, as specified in Clause 49(VIII) (F) of the Listing Agreement, in case money is raised through an issue.		N.A.	No amount was raised through an issue during the subject quarter
CEO/CFO CERTIFICATION :	49 (IX)	NO	

Whether CEO/ CFO certification was placed before the Board as specified in Clause 49(IX) of the Listing Agreement.			
REPORT ON CORPORATE GOVERNANCE :	49 (X)		
A. Whether the Annual Report included a separate section on Corporate Governance as specified in Clause 49(X)(A) of the Listing Agreement.		YES	
B Whether company submits a quarterly compliance report to the stock exchanges.		YES	
COMPLIANCE :	49 (XI)		
i. Whether Compliance Certificate has been annexed with the directors' report as specified in Clause 49(XI) of the Listing Agreement.		YES	
ii. Whether the disclosures of the compliance with mandatory requirements and adoption (and compliance)/non-adoption of the non-mandatory requirements has been made in the section on corporate governance of the Annual Report.		YES	

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Manoj Gupta *M. Director*
Managing Director

Date: 14.01.2015
Place: Delhi