MGF

83rd

ANNUAL REPORT
2012-2013

THE MOTOR & GENERAL FINANCE LIMITED

Shri Ved Prakash Gupta

(15th August, 1915 - 20th August 2005)

A True Karmayogi.
Your integrity,values and vision will continue to guide and inspire us for all our activities and future growth.

THE MOTOR & GENERAL FINANCE LIMITED

MANAGEMENT

BOARD OF DIRECTORS

SHRI RAJIV GUPTA (CHAIRMAN & MANAGING DIRECTOR & CEO)
MRS. ARTI GUPTA (JOINT MANAGING DIRECTOR)
SHRI ARUN MITTER (EXECUTIVE DIRECTOR)
SHRI BHARAT KUMAR
SHRI ONKAR NATH AGGARWAL
SHRI ABHIRAM SETH
SHRI SHARAD AGGARWAL

CHIEF EXECUTIVE

SHRI S.S. KHERA

VICE PRESIDENT & COMPANY SECRETARY & CFO

SHRI M.K. MADAN

BANKERS

BANK OF INDIA
KOTAK MAHINDRA BANK LIMITED
KOTAK MAHINDRA PRIME LIMITED

AUDITORS

M/S S.N.DHAWAN & CO.
CHARTERED ACCOUNTANTS
C-37, CONNAUGHT PLACE,
NEW DELHI - 110 001

REGISTRAR & SHARE TRANSFER AGENTS

M/S ALANKIT ASSIGNMENTS LIMITED
ALANKIT HOUSE, 2E/21,
JHANDEWALAN EXTENSION,
NEW DELHI-110 055.
PHONE : 011- 42541953 / 63

REGISTERED OFFICE:

MGF HOUSE,
4/17-B, ASAF ALI ROAD,
NEW DELHI-110 002.
PHONE :011- 23272216-18
011-23278001-02
FAX NO. 011-23274606
E-mail : mgfltd@hotmail.com
Website : www.mgfltd.com

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NOTICE

NOTICE is hereby given that Eighty Third (83rd) Annual General Meeting of the Members of The Motor & General Finance Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 on Thursday the September 26, 2013 at 11.30.A.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31,2013 and Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sh.Arun Mitter, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Sh. Bharat Kumar, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sh. Abhiram Seth, who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration. M/s S.N. Dhawan & Co, Chartered Accountants, New Delhi, (Firm Registration No.000050N) retires and are eligible for reappointment. Certificate under Section 224(IB) of the Companies Act,1956 has been obtained from them.

By Order of the Board
For THE MOTOR & GENERAL FINANCE LTD

Place : New Delhi **(M.K. MADAN)**
Date: June 3, 2013 VICE PRESIDENT & COMPANY SECRETARY & CFO

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS(48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.
2. Brief details of the retiring directors, who are being re-appointed, are annexed hereto as per the requirements of clause 49 of the Listing Agreement.
3. Register of Members and Share Transfer Books will remain closed from Monday, the September 23,2013 to Thursday, the September 26,2013 (both days inclusive).
4. The Securities and Exchange Board of India(SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN direct to the company.
5. Corporate members are requested to send in advance duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. Members/Proxies are requested:-
   a. to bring their attendance slip alongwith the copies of Annual Reports to the Meeting.
   b. To quote their Registered Folio No(s)/DPID/Client ID No. in all correspondence.
   c. Members who hold shares in dematerialized form are requested to bring their DPID/Client ID numbers for easy identification of attendance at the meeting.
7. For security reasons, no article/baggage will be allowed at the venue of the meeting.
8. To receive faster communication of all shareholders communications, including Annual Reports, the shareholders are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, holders are advised to register their email address with our Registrar & Share Transfer Agents, M/s Alankit Assignments Limited, New Delhi.

Further shareholders, holding shares in physical form, are requested to notify any change in address, if any, to M/s Alankit Assignments Limited, preferably along with their Bank/National Electronic Clearing Service(NECS) details on or before Monday the September 23, 2013.

9. Regarding Unclaimed Dividend:

   i) In accordance with the provisions of Section 205A(5) of the Companies Act,1956, the company has already transferred Unclaimed Dividend declared for the financial year ended 31st March,1996 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government)Rules,1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, CGO Complex, Paryavaran Bhawan, Lodhi Road, New Delhi-110003.

   ii) Further in view of the Section 205C of the Companies Act,1956 read with Investors Education and Protection Fund(Awareness and Protection of the Investors)Rules,2003, the unpaid dividend declared in the years 2008-09 to 2010-11 will be transferred to the above Fund seven years from the date of its lying unclaimed.

10. As per Circular No.18/2011 on Green initiative, the company will start sending Annual Report alongwith other documents through emails to all those members, who have registered their e-mail address(es) with the depository and physical hard copies will be despatched to others. In case any member desire to get hard copy of the Annual Report, they can write to the company at Registered Office address or email at mgfltd@hotmail.com.

11. The entire Annual Report is also available at the company's website **www.mgfltd.com**.

By Order of the Board
For THE MOTOR & GENERAL FINANCE LTD

Place : New Delhi **(M.K. MADAN)**
Date: June 3, 2013 VICE PRESIDENT & COMPANY SECRETARY &CFO

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT,1956 AND ANNEXURE TO NOTICE.

a) **Director being re-appointed by rotation(Resolution at item no.2)**

Name	:	Shri Arun Mitter
Age & Date of Birth	:	51 Years(27.11.1962)
Qualification	:	B.Com, ACA
Experience in Specific Functional areas	:	Shri Arun Mitter, a qualified Chartered Accountant, was appointed as a Whole Time Director for the first time in the year 2002 and since then , he has remained on the Board. During this period, he has gained sufficient business experience in various fields and his continued association is considered necessary in the interest of the company.
Other Directorship	:	MGF Developments Limited, Jayabharat Credit Limited, India Lease Development Limited, Bahubali Services Ltd, Upper India Hire Purchase Co Association Ltd, Paramba International Ltd, Technofab Engineering Ltd, Ram Prakash & Co Pvt Ltd, Discovery Holdings Pvt Ltd, MGF Infotech Pvt Ltd, MGF Auto Sales Pvt Ltd, MGF Vehicles Sales Pvt Ltd, MGF Projects Pvt Ltd, Grosvenor Estates Pvt Ltd, Gee Gee Holdings Pvt Ltd, Cards Services India Ltd, Dove Promoters and Entertainment Pvt Ltd, Meta Dor Technologies Pvt Ltd, North Delhi Metro Mall Pvt Ltd, MGF Securities Pvt Ltd, Nanny Infrastructure Pvt Ltd, Deap Hospitality Pvt Ltd, Weaving Enterprises Pvt Ltd, MGF Estates Management Pvt Ltd, MGF Promotions and Events Pvt Ltd, Shanti Interior Pvt Ltd, MGF Housing & Infrastructure Pvt Ltd and MGF Promoters Pvt Ltd.

Committee Membership

The Motor & General Finance Ltd

Audit Committee
Remuneration Committee
Shareholder Grievance Committee
Share Transfer Committee

India Lease Development Ltd

Audit Committee
Remuneration Committee
Shareholder Grievance Committee
Share Transfer Committee

Jayabharat Credit Ltd

Audit Committee
Shareholders Grievance Committee

Bahubali Services Limited

Audit Committee

Shri Arun Mitter holds 10606 shares i.e 0.05 %. in the company

(b) Director being re-appointed by rotation(Resolution at item no.3)

Name	:	Sh. Bharat Kumar
Age & Date of Birth	:	68 years(03.10.1945)
Qualification	:	B.Com
Experience in Specific Functional Areas	:	He is a Graduate in Commerce. He holds a rich business experience. His re-appointment as a Director will be beneficial to the company.
Other Directorships		Vinspar Industries Pvt Ltd Magique Hospitality Pvt Ltd

Committee Memberships

The Motor & General Finance Limited

Audit Committee- Chairman
Shareholders Grievance & Transfer Committee- Member
Remuneration Committee- Member
Shri Bharat Kumar holds Nil shares in the company

(c) Director being re-appointed by rotation(Resolution at item no. 4)

Name	:	Shri Abhiram Seth
Age & Date of Birth	:	62 years(09.12.1951)
Qualification	:	Graduated in Economics from Delhi University and Masters in Management Studies from Jamnalal Bajaj Institute, Bombay University
Experience in Specific Functional Areas	:	He holds extensive experience in diverse fields and his re-appointment as a Director will be in the best interest of the company

Other Directorships

Emaar MGF Land Ltd, ION Exchange Ltd, ION Exchange Enviro Farms Ltd, Daawat Foods Ltd, ATS Services Pvt Ltd, APT Biotech Pvt Ltd and Aquagri Processing Pvt Ltd.

Committee Membership

The Motor & General Finance Limited

Audit Committee
Shareholders Grievance & Transfer Committee
Remuneration Committee
Sh. Abhiram Seth holds 9330 shares i.e 0.05 % of the total paid up capital.

SHAREHOLDERS INFORMATION

Head Office & Registered Office	:	MGF HOUSE 4/17-B, Asaf Ali Road, New Delhi-110002
Internet Facility		
E-mail	:	**mgfltd@hotmail.com**
Company Website	:	**www.mgfltd.com**
Telephone No	:	23272216-18, 23278001-02
Fax No	:	23274606
Date of Annual General Meeting	:	September 26, 2013
Time	:	11.30 A.M.
Day	:	Thursday
Venue	:	The Executive Club 439, Village Shahoorpur, P.O. Fatehpur Beri New Delhi-110030
Day and Date of Book Closure	:	Monday, the September 23, 2013 to Thursday, the September 26, 2013 (both days inclusive)
Shares listed at	:	Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
	:	National Stock Exchange of India Ltd Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051

The Company confirms that it has paid the Annual Listing Fees to the above Stock Exchanges for the year 2013-14.

NOMINATION FACILITY

Shareholders are eligible to file their nomination against shareholdings. Nomination forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Eighty Third (83rd) Annual Report and Audited Accounts for the year ended March 31, 2013.

		(Rs. In lacs)
Financial Results	**Year ended 31.3.2013**	Year ended 31.3.2012
Gross Profit before depreciation, finance cost and provisioning	**747.50**	1356.04
Less: Finance Cost	**(304.22)**	(59.64)
Add: Provisions against doubtful/irrecoverable assets/loss in value of investments written back	**32.88**	16.73
Less: Depreciation including impairment and property reserves	**(76.56)**	(142.59)
Provision of Tax	**(70.00)**	(215.00)
Excess/(short)provision of tax of earlier years	**-**	(2.46)
Net Profit/(Loss) for the year	**329.58**	953.08
Profit/(Loss) brought forward	**(1983.38)**	(2745.08)
Total Profit/(Loss)	**(1653.80)**	(1792.76)
Appropriations		
Amount transferred to Reserve Fund u/s 45-IC of the RBI Act,1934	**(65.92)**	(190.61)
Losses carried forward to Balance Sheet	**(1719.72)**	(1983.37)

FINANCIAL OPERATIONS

Your company has recorded total income of ₹ 399.57 lacs. Basic earnings per share worked out to ₹ 1.70.

Net Worth of the company continues to be positive. Reserves have increased to ₹ 65.85Crores from ₹ 62.30 Crores in the previous year. We are hopeful to present a better picture by realigning our strategies and resources in order to ensure the best returns for our shareholders in the current year and sustain those returns in the long term. We shall explore every opportunity to streamline the operations focusing more in reducing the overhead cost and thus improve performance.

Project at Shalimar Place is nearing completion and the Board of Directors are confident that this project will bring a handsome return on the investments.

DIVIDEND

In view of utilization of the funds in the project and considering that more funds may be required in the future for expansion and growth and at the same time retaining capital to maintain a healthy capital adequacy ratio, Board of Directors have consciously taken a decision to plough back the profits of the company for the year ended March 31,2013 and have accordingly not recommended any dividend for the year.

The company has not been carrying on NBFC activities for quite some time nor it intends to carry on any such activity in the future. Accordingly, Certificate of Registration (COR) held in Category “B” as Non Accepting Deposits Non Banking Finance Company has been surrendered to RBI. It is, as such, no longer a NBFC Company. Formal communication of the cancellation of COR from RBI as on the date of signing of this report is awaited.

DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER 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 and there are no material departures from the applicable accounting standards;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs for the company at the end of financial year ended March 31, 2013 and of the Profit of the Company for that period;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) The statement of accounts for the year ended March 31,2013 have been prepared on a Going Concern Basis.

COMPLIANCE OF CLAUSE 31(a) OF THE LISTING AGREEMENT

In terms of Clause 31(a) of the Listing Agreement, Form A &B, duly signed by the Chairman & Managing Director & CEO, CFO, Chairman Audit Committee and the Statutory Auditors of the company would be filed with the Stock Exchanges alongwith the copies of the Annual Report.

INFORMATION AND EXPLANATIONS/OBSERVATIONS IN THE AUDITORS' REPORT(Form A & B)

a) EMPHASIS OF MATTER IN THE INDEPENDENT AUDIT REPORT

FORM A

Non Compliance of RBI's Prudential Norms in respect of lending to one company

Management's reply to the Note

The company has surrendered the Certificate of Registration to RBI and ceases to be a NBFC. In view of the above, Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions,1998 have become not applicable.

b) QUALIFIED OPINION IN INDEPENDENT AUDITORS' REPORT

FORM B

Shortfall in value of Long Term Investments

Management's reply on the Note

Diminution in value is not consistently the same but it shows a declining trend given as under:-

Financial Year		₹ In lacs
2010-11	-	382.24
2011-12	-	305.98
2012-13	-	280.42

Investments in shares is in the group companies which are listed. Market capitalization is negligible as major holding is with the promoters. In view of lesser trading, the quoted value remains more or less the same. At an opportune time, the company may off load the investments. There will be no tax impact.

In terms of RBI Directions, the Auditors have submitted a separate report to the Board of Directors.

AS REGARDS OTHER OBSERVATIONS

The Auditor's Report and Notes on Accounts for the financial year 2012-13 are self explanatory and therefore do not call for any further comments.

UNPAID/UNCLAIMED DIVIDEND

In view of compliance of Section 205C of the Companies Act,1956 read with Investors Education and Protection Fund(Awareness and Protection of the Investors)Rules,2003, the dividend which remains unclaimed and unpaid , if any, for a period of seven years from the date of its lying unclaimed will be transferred to the above Fund.

CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchanges, Auditor's Certificate regarding the compliance of conditions of Corporate Governance(Annexure"A") and Management Discussion and Analysis Report(Annexure 'B') forms part of this report.

DEMATERIALISATION

Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their certificate through Depository Participants(s) with whom, they have dematerialized account, to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055.

Further The Securities and Exchange Board of India(SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company.

SECRETARIAL AUDIT

Secretarial Audit for the year 2012-13 was carried out by Practising Company Secretary. The said secretarial unqualified audit report forms part of this Annual Report.

The secretarial audit report confirms that the company has complied with all the applicable provisions of the Companies Act,1956, Depositories Act,1996, Listing Agreements with the Stock Exchanges, Securities Contracts(Regulation)Act,1956 and all the regulations of SEBI as applicable to the company, including the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers)Regulations,1997 and the Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations,1992.

COMPLIANCE OF THE STATUTORY AUTHORITIES

The Company has complied with the requirements of the Stock Exchanges, SEBI and Other statutory authorities on all matters relating to the capital markets during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on the website of the Company i.e.**http// www.mgfltd.com.**

E-mail ID FOR INVESTOR'S GRIEVANCES

In compliance of sub clause (f) to the Clause 47 of the Listing Agreement, the company has designated an e-mail address i.e. **mgfcomplaints @yahoo.co.in** for the purpose of registering complaints by investors for redressal of their grievances.

NOMINATION FACILITY

In case, any of the members wish to avail facility of Nomination Form(Form 2B) alongwith instructions, they are requested to send the duly completed form to the Registrars of the Company and/or at the Registered Office of the Company.

CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING

Members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to write to the Registrars and Share Transfer Agents indicating the folio numbers for consolidation of similar holdings under one folio.

MCA'S GREEN INITATIVE

The Ministry of Corporate Affairs(MCA), Govt of India, has taken a "Green Initiative in Corporate Goverance" by allowing paperless compliance by companies through electronic mode, vide its circulars dated April 21,2011 and April 29,2011. To take part in the above 'Green Initiative', your company proposes to send communications/documents including Notice for General Meeting(s) and Annual Report from time to time in electronic mode to those members who have registered their email address with the Company/Depository Participants(DP).

The members who have not yet registered their email address are requested to register/update their email address in respect of equity shares held by them in demat form with their respective DP's and in the case of physical form with the company or log on to **http://www.mgfltd@hotmail.com** to register yourself. You can also download the registration form from company's website **http://www.mgfltd.com**

PUBLIC DEPOSITS

The company has not accepted any fixed deposits during the year. There are no unclaimed deposits.

DIRECTORS

In accordance with the provisions of Section 255 of the Companies Act,1956 and Article 49 of the company's Articles of Association, Shri. Arun Mitter, Sh.Bharat Kumar and Sh. Abhiram Seth, Directors of the company retire by rotation and being eligible offer themselves for reappointment.

Directors seeking reappointment, their brief resume, nature of their expertise in specific functional areas, name of the companies in which they hold directorship and the memberships of the committees of the Board and shares held in the company, etc are given in the annexure to the Notice and in a section on Corporate Governance elsewhere in the Annual Report.

CEO/CFO CERTIFICATION

The CEO and the CFO of the company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

PARTICULARS OF EMPLOYEES

There are no employees in receipt of remuneration which, inter-alia, requires the company to furnish the particulars of Employees as required by Section 217(2A) of the Companies Act,1956, read with the Companies(Particulars of Employees), Rules,1975

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

In terms of the requirements of clause (e) of sub section(1) of Section 217 of the Companies Act,1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars are given as under:-

a)	Technology	-	It is not applicable	
b)	Conservation of Energy		-do-	
c)	Transactions in Foreign Currency:		**This Year**	Previous Year
	a)	Expenditure in Foreign Currency	-	-
		i) Repayment of Foreign Currency Loan	-	-
		ii) Interest on Foreign Currency Loan	-	-
		iii) Travelling Expenses	1337326	-
	b)	Shares held by Non Resident Shareholders	189287	193227
		No. of Shareholders	30	30

The Company had no earnings in foreign exchange.

AUDITORS

M/s S.N. Dhawan & Co, Chartered Accountants, Statutory Auditors, retire and are eligible for reappointment. A certificate under Section 224(1B) of the Companies Act,1956, has been obtained from them.

ACKNOWLEDGEMENTS

Directors place on record their thanks for the assistance and co-operation received from Banks and all other customers for their continued support and patronage.

Yours Directors also wish to place on record the dedicated and devoted services rendered by all personnel of the Company.

For and on behalf of the Board
FOR THE MOTOR & GENERAL FINANCE LIMITED

Place: New Delhi
Dated: June 3, 2013

(RAJIV GUPTA)
CHAIRMAN & MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER

(ARTI GUPTA)
JOINT MANAGING DIRECTOR

Annexure 'A' to the Directors Report

CORPORATE GOVERANCE REPORT

1. Company's Philosophy on Code of Corporate Governance

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard.

Your company perceives good corporate governance practices as a key driver of sustainable corporate growth and long term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and customer satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as conform to the highest standards of corporate behaviour.

2. Board of Directors("Board")

2.1 The Board, as on date of signing of the Director's Report, comprises of seven Directors. The Chairman of the Board is an Executive Director. The Directors are eminently qualified and experienced professionals in business, finance and corporate management.

2.2 Constitution of the Board:

Sl No.	Name of Director	Status
1.	Sh. Rajiv Gupta	Chairman & Managing Director- CEO
2.	Mrs. Arti Gupta	Joint Managing Director
3.	Sh. Arun Mitter	Wholetime Director-Executive Director
4.	Sh. Bharat Kumar	Non Executive- Independent Director
5.	Sh. O.N. Aggarwal	Non Executive -Independent Director
6.	Sh. Sharad Aggarwal	Non Executive -Independent Director
7.	Sh. Abhiram Seth	Non Executive -Independent Director

Pecuniary Relationship

Independent Directors do not have any pecuniary relationships or transactions with the company except for the sitting fees, drawn for attending the meetings of the Board. No meeting fee is paid for attending the Committee Meetings.

2.3 Board Meetings

The meetings of the Board of Directors are informed well in advance and are held at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi. Notice confirming the minutes of the previous meeting and the detailed agenda for the ensuing meeting is sent invariably at least seven days in advance to all the Directors. In terms of the company's Corporate Governance policy, all significant and material information are placed before the Board to enable it to discharge its responsibilities. As per the directions of the Chairman, the Company Secretary who is also the Compliance Officer, convene the meetings. Departmental heads of the company, in case they are required, are invited to attend the Board Meetings, to make presentations and provide clarifications. The Board meets, at least, once a quarter to review the quarterly performance and financial results of the company.

2.3(a) Number of Board Meetings:

During the year from April 1, 2012 to March 31, 2013, the Board of Directors met seven times on the following dates:

S.No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 14, 2012	7	5
2.	July 26, 2012	7	4
3.	August 13, 2012	7	7
4.	August 23, 2012	7	5
5.	November 9, 2012	7	3
6.	January 23, 2013	7	7
7.	February 13,2013	7	7

2.3(b) Attendance of Directors:

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last Annual General Meeting	No. of* Directorships in other Boards as on March 31, 2013	No. of Memberships in all Committees of the Board as on March 31, 2013
1.	Sh.Rajiv Gupta	7	6	N.A.*	12	11
2.	Mrs.Arti Gupta	7	6	N.A*	6	2
3.	Sh.Arun Mitter	7	7	Present	28	10
4.	Sh. Bharat Kumar	7	6	Present	2	3
5.	Sh. Sharad Aggarwal	7	4	Present	12	5
6.	Sh. O.N. Aggarwal	7	4	N.A*.	5	-
7.	Sh. Abhiram Seth	7	5	N.A*	7	3

N.A - Not Attended.*
** includes Directorship in Private and Public Limited Companies.*

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, Membership/Chairmanship of only the Audit Committee/Shareholders Grievance Committee and the Remuneration Committee of all the companies has been considered.

2.3(c) Remuneration to Directors:

Sitting Fee was paid to Non-Executive Directors only for attending Board Meetings.

3. Committees of the Board:

Non-Executive Directors. The Chairman including Non Executive Directors provide guidance to the management on policy matters as well as in monitoring actions of operating management.

To comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the composition of these Committees is as under:

Sl. No.	Name of the Director	Audit Committee	Shareholders Grievance & Transfer Committee	Remuneration Committee
1	Sh. Rajiv Gupta, Chairman & Managing Director- CEO	Yes	Yes	Yes
2.	Mrs. Arti Gupta, Joint Managing Director	No	Yes	Yes
3.	Sh. Arun Mitter, Executive Director	Yes	Yes	Yes
4.	Sh. Bharat Kumar, Non Executive, Independent Director	Yes	Yes	Yes
5.	Sh. Sharad Aggarwal Non Executive, Independent Director	Yes	Yes	Yes
6.	Sh. O.N.Aggarwal, Non Executive Independent Director	No.	No.	No.
7.	Sh. Abhiram Seth Non Executive Independent Director	Yes	Yes	Yes

3.1 (Audit Committee)

3.1(a) Chairman: Shri Bharat Kumar, Non Executive-Independent Director, is the Chairman of the Audit Committee.

3.1(b) Broad Terms of Reference of the Audit Committee

The Audit Committee is in conformity with Section 292A of the Companies Act,1956 read with Clause 49 of the Listing Agreement. The Audit Committee acts as a link between the statutory auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facts of company's operation that are of vital concern to the company. All members of Audit Committee are financially literate and possess necessary financial/accounting exposure/expertise. In particular, the role of Audit Committee includes the following:-

i) Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are sufficient and credible;

ii) Recommending the appointment of statutory auditors, fixation of audit fee and approval for payment for any other services. Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as past . Audit discussions to ascertain any area of concern.

iii) Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval, with particular reference to:-

a) Matter required to be included in the Directors' Responsibility Statement to be Included in the Board's report in terms of clause(2AA) of Section 217 of the Companies Act,1956.

b) Changes, if any, in accounting policies and practices and reasons for the same.

iv) Compliance with listing and other legal requirements relating to financial statements.

v) Qualifications in the draft audit report.

vi) Ensuring compliance with regulatory guidelines.

vii) Reviewing with the management the adequacy of Internal Control Systems

3.1(c) During the year, the Committee met five times on May 14, 2012, August 13, 2012, August 23, 2012, November 09, 2012 and February 13, 2013

Mr. M.K. Madan, Compliance Officer is the convener of the Audit Committee

3.1(d)Attendance of the Directors in the Audit Committee Meeting:

SNo.	Name of the Director	No. of Audit Committee Meetings held	No. of Meetings attended
1.	Sh. Bharat Kumar	5	5
2 .	Sh. Rajiv Gupta	5	4
3.	Sh. Arun Mitter	5	5
4.	Sh. Sharad Aggarwal	5	3
5.	Sh. Abhiram Seth	5	4

3.2 Shareholders Grievances Committee:

This committee is comprising of Shri Rajiv Gupta, Mrs. Arti Gupta, Shri Arun Mitter, Shri Bharat Kumar, Shri Sharad Aggarwal and Shri Abhiram Seth. The Committee look into the grievances and complaints of the shareholders like transfer, splitting, consolidation of shares, non-receipt of Balance Sheet, etc. and redress the same.

Mr.M.K. Madan, Compliance Officer is the convener of the Shareholders Grievance Committee.

3.2(a) Attendance of Directors in the Shareholders Grievance Committee Meetings:

The Shareholders' Grievances Committee met four times during the year on July 19, 2012, October 25, 2012, January 10, 2013 and March 28, 2013. The attendance for the meetings is as under :-

SNo.	Name of Director	No. of meetings held	No. of meetings attended
1.	Sh. Rajiv Gupta	4	4
2.	Mrs.Arti Gupta	4	4
3.	Sh .Arun Mitter	4	4
4.	Sh. Bharat Kumar	4	4
5.	Sh. Sharad Aggarwal	4	4
6.	Sh. Abhiram Seth	4	4

3.2(b) Details of investors complaints received during the year ended March 31, 2013

S.No	Nature of complaints	Received	Resolved	Pending
1.	Non receipt of dividend warrant(s)	9	9	-
2.	Non receipt of share certificates after transfer/exchange/sub-division/ consolidation/merger etc/issue of duplicate share certificate	9	9	-
3.	Non receipt of Balance Sheet	1	1	-
	Total	19	19	-

3.2(c) Number of complaints pending with the Company

All the shareholders requests/complaints received during the financial year ended March 31, 2013 by the company and/or their registrar i.e. M/s Alankit Assignments Limited were replied / resolved to their satisfaction.

3.2(d) Number of shares pending for transfer:

No shares were pending for transfer as on March 31, 2013.

3.3 Remuneration Committee:

3.3(a) Membership:

Remuneration Committee comprise of Shri Rajiv Gupta, Mrs.Arti Gupta, Shri Arun Mitter, Shri Bharat Kumar, Shri Sharad Aggarwal and Shri Abhiram Seth

3.3(b) Broad Terms of reference of the Remuneration Committee:

i) to deal with matters related to remuneration by way of salary, perquisites, benefits, etc to the Managing Director/Joint Managing Director/ Whole Time Director of the Company.

ii) to set guidelines for the salary and perks payable to senior employees of the company.

3.3(c) Remuneration Policy:

The company follows a market linked remuneration policy, which is aimed at enabling the company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of corporate goals. The company does not have an Employee Stock Option Policy.

3.3(d) Attendance of the Directors in the Remuneration Committee Meeting

S.No.	Name of Director	No. of Meetings held	No. of Meetings attended
1	Sh. Rajiv Gupta	1	1
2.	Mrs. Arti Gupta	1	1
3.	Sh. Arun Mitter	1	1
4.	Sh. Bharat Kumar	1	1
5.	Sh. Sharad Aggarwal	1	1
6.	Sh. Abhiram Seth	1	1

3.3(e) Mr. M.K. Madan, Compliance Officer is the convener of the Remuneration Committee

3.3(f) During the year ended March 31, 2013, the Remuneration Committee met once on March 21,2013.

3.3(g) Remuneration Paid During the year

During the year ended March 31, 2013, Shri Rajiv Gupta, Chairman & Managing Director, Smt. Arti Gupta, Joint Managing Director and Shri Arun Mitter, Executive Director in accordance with the terms and conditions of their appointments were paid remuneration of Rs. 13,74,896/-, Rs 12,07,480/- and Rs 14,53,926/- respectively.

Total Sitting Fee including service tax paid to the Directors for attending Board Meetings was Rs. 1,04,270/- No sitting fee for attending any Committee Meeting was paid.

4. Management:

4.1 Management Discussion and Analysis Report:

The Company has provided a detailed Management Discussion and Analysis Report in Annexure 'B' forming part of the Director's Report.

4.2 Disclosure relating to all material financial and commercial transaction of the management, where they have a personal interest that may have a potential conflict with the interest of the company at large has also been provided.

During the year ended March 31, 2013 the company had entered into transactions in the normal course of business with some of the companies in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the company.

4.3 Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

5. Particulars of Past three AGMs:

Last three Annual General Meetings were held at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at the following time and dates:-

AGM. No.	Year	Date	Time	Special Resolutions passed required for
80th	2010	September 29, 2010	12.30 P.M.	Re-appointment of Directors and increase/variation in the remuneration of Smt. Arti Gupta, Joint Managing Director
81st	2011	September 29, 2011	11.30 A.M.	Re-appointment of Directors, alteration of Articles of Association, Resolution under 293(1)(e) and Resolution under Section 293(1)(d) of the Companies Act,1956.
82nd	2012	September 29, 2012	11.30 A.M.	Creation of Charges being the Resolution u/s 293(1)(a) and other applicable provisions of the Companies Act,1956.

No Postal Ballot was conducted in the year 2012-13

6. Shareholder Information :

6.1 Annual General Meeting : 83rd Annual General Meeting

Day & Date : Thursday, September 26, 2013

Time : 11.30 A.M.

Venue : The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030

6.2 Financial Calendar :

(Tentative schedule)

Financial reporting for the quarter ended June 30, 2013	**Second week of August, 2013**
Financial reporting for the quarter ended September 30, 2013	**Second week of November, 2013**
Financial reporting for the quarter ended December 31, 2013	**Second week of February, 2014**
Financial reporting for the quarter and audited accounts for the year ended March 31, 2014	**Within 60 days of the close of the quarter**

6.3 Means of Communication:

- Quarterly/Half Yearly Financial Results of the company are forwarded to Bombay Stock Exchange and National Stock Exchange of India and published in Financial Express and Mahalaxmi newspapers. Half-yearly report is not sent to each household of shareholders as the results of the company is published in the newspapers. In addition to the above, the results are also available on the company's website: **http://www.mgfltd.com** for the information of all the shareholders.
- Company has not made any presentation to any Institutional Investors / Analyst during the year.
- Company has its own website and all the vital information relating to the company is displayed on the web site. Address of the website is **http ://www.mgfltd.com**

6.4 Shareholders' Information

i)	**Annual General Meeting**	:	Thursday, the September 26, 2013 at 11.30 A.M.
ii)	**Date of Book Closure**	:	Monday, the September 23, 2013 to Thursday, the September 26, 2013 (Both days inclusive)

Registrar and Share Transfer Agents :

In compliance with SEBI directive M/s Alankit Assignments Ltd, 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055. Tel No.011- 42541953/63 are carrying on assignment of both physical and demat mode.

However, keeping in view the convenience of shareholders, documents relating to the shares are continued to be received by the company at its Registered Office, at 4/17-B, Asaf Ali Road, New Delhi-110002, Telephone Nos. 23272216-18, 23278001-02.

6.5 (i) Nomination Facility:

Shareholders are eligible to file their nominations against shareholdings. Nomination Forms are available at the Registered Office i.e. 4/17-B, Asaf Ali Road, New Delhi-110002. Those interested in getting the facility of nominations may write to the Company Secretary for a copy of the prescribed Nomination Form.

6.5 (a) Share Transfer System:

If the documents are clear in all respects, completion of transfer of shares in physical mode generally taken is less than 15 days. The Share Transfer Committee has delegated the responsibility of share transfers to an officer of the company to expedite share transfers. Shares under demat and physical mode are transferred by the Registrar and Share Transfer Agent normally within 15 days.

6.5 (b) Under Demat and Physical Mode:

Alankit Assignments Limited,
2E/21, Alankit House,
Jhandewalan Extension,
New Delhi – 110 055.
Phones: .011-42541953/63

6.6 The undernoted officials of the company have been designated for speedy redressal of shareholder's/investor's requests/queries.

6.6 (a) Compliance Officer:

Mr. M. K. Madan
Vice President & Company Secretary & CFO
Phone No.23276872

6.6 (b) Company Secretary:

Mr.M.K.Madan

Vice President & Company Secretary & CFO

6.6 (c) Address for Correspondence:

Registered Office:
The Motor & General Finance Limited
MGF House,4/17B,
Asaf Ali Road,
New Delhi – 110 002.
Ph: 23272216-18, 23278001-02 Fax: 23274606
E-mail : **mgfltd@hotmail.com**
Website : **www.mgfltd. com.**

6.7 Listing on Stock Exchanges:

6.7 (a) Bombay Stock Exchange Ltd
Phiroz Jee Jee Bhoy Towers,
Dalal Street, Mumbai – 400 001
Ph : 022-22721234/33
Fax : 91-22-22721278/1557/3354/3577

6.7 (b) National Stock Exchange of India Limited
Exchange Plaza,
Plot No.C/1 G Block 5th Floor,
Bandra Kurla Complex,
Bandra, Mumbai-400051.
Ph : 022-26598235/36
Fax : 022-66418124,66418125,66418126

6.8 Stock Code of the Company:

6.8 (a) Bombay Stock Exchange(BSE) , Mumbai

Electronic Mode : **INE 861B01015**

Scrip Name : **The Motor & General Finance Ltd**

Scrip Code : **501343**

6.8 (b) National Stock Exchange of India(NSE)

Electronic Mode : **INE 861B01015**

Scrip Name : **The Motor & General Finance Ltd**

Scrip Code : **Motogenfin**

Equity shares in Demat Form : INE 861B01015

6.9 Depository Connectivity : NSDL and CDSL

6.10 Market Price Data: (As obtained from BSE & NSE)

	(BSE)		(NSE)	
Month & Year	**High**	**Low**	**High**	**Low**
April, 2012	39.45	34.00	39.90	34.05
May, 2012	42.50	34.75	44.50	34.00
June, 2012	45.50	37.50	46.45	37.55
July, 2012	43.80	38.05	45.90	37.65
Aug, 2012	50.00	39.30	48.85	39.05
Sep, 2012	47.00	39.00	44.00	37.00
Oct, 2012	46.70	40.10	48.00	40.20
Nov, 2012	51.50	38.40	52.10	43.00
Dec, 2012	52.00	47.55	52.95	47.65
Jan, 2013	54.40	44.45	51.95	47.00
Feb, 2013	52.00	43.70	49.00	42.45
Mar, 2013	54.50	38.50	49.20	38.00

6.11 Categories of Shareholding as on March 31, 2013

S.No	Category	No.of Shares held	% of Shareholding
A	**Promoters ***	12013045	62.039%
B	**Non Promoter Holding**		
	Mutual Funds and UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non Government Institutions)	74547	0.385%
C	**Others**		
	Private Corporate Bodies	508324	2.625%
	Indian Public	5485661	28.330%
	NRIs/OCBs/FIIs/Trust/Custodian	1282018	6.621%
	Total	**19363595**	**100.00%**

* includes persons acting in concert.

6.12 Distribution of Company's Shareholding as on March 31 2013:

Category	Shareholders			No. of Shares(Rs. 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	5965	5186	11151	1174471	1714637	2889108	6.065%	8.855%	14.920%
5001 – 10000	28	64	92	180945	480164	661109	0.934%	2.480%	3.414%
10001 – 20000	8	25	33	116364	341690	458054	0.602%	1.764%	2.366%
20001 – 30000	2	4	6	49066	90984	1400500	0.253%	0.469%	0.723%
30001 – 40000	0	4	4	0	149992	149992	0.000%	0.774%	0.775%
40001 – 50000	1	3	4	43431	134903	178334	0.225%	0.696%	0.921%
50001 – 100000	3	12	15	212557	964119	1176676	1.098%	4.979%	6.077%
100001 & above	2	25	27	656381	13053891	13710272	3.391%	67.415%	70.804
Total	**6009**	**5323**	**11332**	**2433215**	**16930380**	**19363595**	**12.568%**	**87.432%**	**100.000%**

7. Compliance:

A certificate has been obtained from the Statutory Auditors of the company regarding compliance of conditions of Corporate Governance and is attached to this report.

By Order of the Board
For **THE MOTOR & GENERAL FINANCE LIMITED**

Place : New Delhi
Date : June 3, 2013

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer(CEO)

ARTI GUPTA
Joint Managing Director

AUDITORS'S CERTIFICATE ON THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of Corporate Governance by The Motor & General Finance Limited having its Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 for the year ended March 31, 2013 in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to review to procedures and implantations thereof, adopted by the Company, for ensuring the compliance of the conditions of 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned 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 S.N. DHAWAN & CO.
Chartered Accountants
Firm No. 000050N

S.K. KHATTAR
Partner
Membership No.84993

Place: New Delhi
Date : June 3, 2013

ANNEXURE 'B' TO THE DIRECTOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS

In view of no NBFC business activity, the company has surrendered Certificate of Registration to RBI. Construction of Commercial Project at Shalimar Bagh, (Shalimar Place), Delhi is nearing completion and the company is confident that there will be handsome return on its investment.

OPPORTUNITIES & THREATS, RISKS & CONCERNS, PERFORMANCE AND OUTLOOK

FINANCIAL

The financial performance of the company is given as under:-

(₹ In lacs)

Financial Results	**Year ended 31.3.2013**	Year ended 31.3.2012
Gross Profit before depreciation, finance cost and provisioning	**747.50**	1356.04
Less: Finance Cost	**(304.22)**	(59.64)
Add: Provisions against doubtful/irrecoverable assets/loss in value of investments written back	**32.88**	16.73
Less: Depreciation including impairment and property reserves	**(76.56)**	(142.59)
Provision of Tax	**(70.00)**	(215.00)
Excess/(short)provision of tax of earlier years	**-**	(2.46)
Net Profit/(Loss) for the year	**329.58**	953.08
Profit/(Loss) brought forward	**(1983.38)**	(2745.08)
Total Profit/(Loss)	**(1653.80)**	(1792.76)
Appropriations		
Amount transferred to Reserve Fund u/s 45-IC of the RBI Act,1934	**(65.92)**	(190.61)
Losses carried forward to Balance Sheet	**(1719.72)**	(1983.37)

RISK & CONCERNS

The company has laid down the procedure to inform the Board about the risk management and minimization procedure. These procedures are periodically reviewed to ensure that management control risk through means of property defined frame work.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has an adequate system of internal control, designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and property recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non performing assets of the company for effecting recoveries.

HUMAN RESOURCES

Your company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

DISCLAIMER

Certain Statements in the Management Discussion and Analysis describing the company's views about the industry, expectations, objectives, etc may be understood within the meaning of applicable laws and regulations. Factors like changes in government regulations, tax laws and other factors as such industrial relations and economic developments etc. may further influence the company's operations or performance.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We hereby certify, for the financial year ended March 31, 2013, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are no transactions entered into by the company during the year ended March 31, 2013 which are fraudulent, illegal or in violation of the company's Code of Conduct.
4. We have accepted responsibility for establishing and maintaining internal controls for financial reporting.
5. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
6. We have disclosed to the Auditors and the Audit Committee, deficiencies of which we are aware in the design or operation of the internal control systems.
7. We have taken the required steps to rectify these internal control deficiencies.
8. We further certify that:
   a) There have been no significant changes in internal controls over financial reporting during the year.
   b) There have been no significant changes in accounting policies during the year
   c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the company's internal control systems over financial reporting.

For THE MOTOR & GENERAL FINANCE LTD

(RAJIV GUPTA)
CHAIRMAN & MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER(CEO)

for THE MOTOR & GENERAL FINANCE LTD

(M.K. MADAN)
VICE PRESIDENT & COMPANY SECRETARY
& CHIEF FINANCIAL OFFICER(CFO).

Place: New Delhi
Date : June 3, 2013

D E C L A R A T I O N

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 for the year ended March 31, 2013.

For THE MOTOR & GENERAL FINANCE LTD

(RAJIV GUPTA)
CHAIRMAN & MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER(CEO)

Place: New Delhi
Date : June 3, 2013

SECRETARIAL AUDIT REPORT

THE MOTOR & GENERAL FINANCE LIMITED
MGF House, 4/17-B,
Asaf Ali Road,
New Delhi – 110002

We have examined the registers, records and documents of M/s. The Motor & General Finance Limited ("The Company") for the financial year ended on 31st March, 2013 according to the provisions of:

- The Companies Act, 1956 and the rules made under the Act,
- The Depositories Act, 1996 and the Regulations and Bye – Laws framed under the Act,
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011,
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- The Equity Listing Agreements with Bombay Stock Exchange, National Stock Exchange of India Limited.
- The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made under the Act,
- Memorandum & Articles of Association of the Company.

In our opinion, based on test check carried out by us, verification of records produced to us and according to the information furnished to us by the Company and its officers, the Company has complied with provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

- Maintenance of various Statutory Registers and documents and making necessary entries therein.

S.No.	*Statutory Registers*	*Remarks*
1.	Section 150 Register of member and index thereof	Maintained
2.	Section 163 File regarding copies of Annual Return	Maintained
3.	Section 193 Minutes of Board, General and Committee Meetings	Maintained
4.	Section 209 Books of accounts.	Maintained
5.	Section 301 Register of contracts in which directors are interested	Maintained
6.	Section 303 Register of Directors	Maintained
7.	Section 307 Register of Directors shareholding	Maintained
8.	Section 372A Register of Loans, Investments and Guarantees/Securities provided.	Maintained
9.	Section 143 Register of Charges	Maintained
10.	Section 49 Register of Investments	Maintained

- Filing of the requisite forms and returns with the Registrar of Companies, NCT Delhi & Haryana and Central Government within the time prescribed under the Act and rules made there under.
- Closure of Register of Member and Share Transfer Books of the Company
- Convening and holding of the meetings of Directors and Committees of the Directors including passing the resolutions by Circulation i.e. by Postal Ballot.
- Convening and holding of Annual General Meeting on September 27, 2012.
- Minutes of the proceedings of General Meetings and meetings of the Board and its Committee were properly recorded in loose leaf form, which are being bound in book form at regular intervals

- Appointment and remuneration of Auditors.
- Transfer / Transmission of Shares and issue and delivery of original and duplicate certificates of shares are being done in compliance with new Listing Clause 12A.
- Constitution of the Board of Directors, its appointment, retirement and re – appointment.
- Forms of Balance sheet, Statement of Profit & Loss Account and disclosures to be made therein as per revised Schedule VI to the Act issued by the Ministry of Corporate Affairs.
- Investments of the Company including Inter Corporate Loans and Investments and Loans to others.
- There are no unpaid/unclaimed amounts which are required to be transferred under the Act to the Investors Education and Protection Fund for the year under consideration.

We further state that:

- The Directors have disclosed their interest and concerns in contracts and arrangements, share holdings and directorships in other companies and interest in other entities as and when required and their disclosures have been noted and recorded by the Board.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- The Company has obtained all necessary approvals from the statutory bodies required from time to time under the Act.
- There was no prosecution initiated against, or show cause notice received by & the company and no fines or penalties were imposed on the Company under the Companies Act, SEBI Act, SCRA Act, Depositories Act, Listing Agreement and Rules, Regulation and Guidelines framed under these Acts against the Company, its Directors and Officers.

We further report that the company has complied with the provisions of the Depositories Act, 1996 and Bye – Laws framed there under by the Depositories with regard to Dematerialization/Rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company.

We further report that:

- The company is listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) is complying with all the clauses of the listing agreement from time to time.
- The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to the disclosure and maintenance of records required under the regulations.
- The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

We further report that there are adequate internal control systems and processes in the company in commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

Place: New Delhi
Date: June 3, 2013

Anjali Yadav
(Company Secretary)
FCS No. 6628
CP. No. 7257

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Motor & General Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Motor & General Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Provision of Rs 280.43 lacs has not been made for diminution in the value of non current long term investments. (Refer Note No. 30). Had our aforesaid observation been considered, the profits for the year would have been Rs. 49.16 lacs (as against the reported figure of Rs. 329.58 lacs) and the deficit in statement of profit & loss would have been Rs. 1944.05 Lacs (as against the reported figure of Rs. 1719.71Lacs).

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion we draw attention:

There is non-compliance of the provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 with regard to maintenance of Credit Concentration/Investment Norms in respect of lending to one of the Company where these are exceeding the limits. (Refer Note No.31)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;

   e. On the basis of written representations received from the Directors, as at March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2013 from being appointed as a Director under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

   f. 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 **S. N. Dhawan & Co.,**
Chartered Accountants
FRN-000050N

(S. K. Khattar)
Partner
M. No.84993

Place: New Delhi
Date : May 30, 2013

Annexure to Independent Auditor's Report

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of The Motor & General Finance Limited for the year ended March 31, 2013)

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for assets on lease.

(b) As per information and explanations given to us, fixed assets other than lease assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. For Assets on Lease, confirmations from lessees, as regards their physical existence, were not available.

(c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.

ii) The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) (a), (b) & (c) of the Order, are not applicable.

(iii) (a) The Company has granted Inter Corporate Deposits to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of such inter corporate deposit given to such party was Rs. 3459 lacs.

(b) In our opinion the rate of interest and other terms and conditions on which Inter Corporate Deposits have been given, are prima facie not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of repayment of principal amount does not arise. However the interest is being paid regularly.

(d) As stated above no repayment schedule have been specified and there are no overdue amounts in excess of Rs. One lacs.

(e) The Company has taken Inter Corporate Deposits from one company and interest free advances from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of such loans and advance taken were. Rs. 2250 lacs & 1677 lacs respectively.

(f) In our opinion, the other terms and conditions on which Inter Corporate Deposits and interest free advances have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever stipulated.

(iv) 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 the business with regard to purchase of fixed assets. As explained, there was neither purchase of inventories nor sale of goods and services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in the internal control systems.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 read with Non Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions 1998.

(vii) The Company has an internal audit system. However, functioning thereof (including extent of coverage) needs to be strengthened to make it commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.

ix) (a) According to the information and explanations given to us and according to the records produced before us for our verification, the Company is generally regular in depositing, with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.

(b) According to the information and explanations furnished to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax and Sales Tax etc. were in arrears as at March 31, 2013 for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax and Service Tax which have not been deposited on account of any dispute, other than the following:-

Name of the statute	Nature of dues	Rs. in Lacs	Forum where dispute is pending
Sales Tax Act	Transfer of Right to use (1970-71 to 1995-96)	4.82	Before U. P. Tribunal, Deputy Commissioner and Assistant Commissioner
Electricity Act	Electricity charges (1993-94 & 2004)	69.92	BSES Yamuna Power Ltd.
Delhi Municipal Corporation Act.	Interest on Property Tax	47.52	Municipal Taxation Tribunal

x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) Based on our examination of the records and according to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a Chit Fund or Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.

xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi) According to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which they were obtained.

xvii) According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the year.

xx) The Company has not raised any money through public issue during the year.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. N. Dhawan & Co.,**
Chartered Accountants
FRN-000050N

(S. K. Khattar)
Partner
M. No.84993

Place: New Delhi
Date : May 30, 2013

BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	2	**193,635,950**	193,635,950
b) Reserves and surplus	3	**658,507,033**	623,069,598
		852,142,983	816,705,548
Non-current liabilities			
a) Long-term borrowings	4	**166,166,667**	324,979,531
b) Other long term liabilities	5	**72,418,000**	67,918,000
c) Long-term provisions	6	**7,759,355**	7,603,083
		246,344,022	400,500,614
Current liabilities			
a) Short-term borrowings	7	**320,000,000**	70,900,000
b) Trade payables	8	**5,814,862**	5,814,862
c) Other current liabilities	9	**397,803,368**	321,654,781
d) Short-term provisions	10	**12,880,102**	15,107,842
		736,498,332	413,477,485
TOTAL		**1,834,985,337**	1,630,683,647
ASSETS			
Non-current assets			
a) Fixed assets	11		
Tangible assets		**271,332,068**	284,350,393
b) Non current investments	12	**1,153,058,643**	1,008,032,856
c) Long-term loans and advances	13	**348,400,000**	256,600,000
d) Other non-current assets	14	**17,594,565**	8,571,387
		1,790,385,276	1,557,554,636
Current assets			
a) Current investments	15	**-**	32,041,000
b) Trade receivables	16	**6,258,084**	4,234,659
c) Cash and bank balances	17	**6,482,866**	7,856,880
d) Other current assets	18	**31,859,111**	28,996,472
		44,600,061	73,129,011
TOTAL		**1,834,985,337**	1,630,683,647
Summary of Significant Accounting Policies	1		

The accompanying notes 1 to 44 are an integral part of the financial statements.

As per our report of even date attached
for S.N.Dhawan & Co.
Chartered Accountants

(S.K.Khattar)
Partner
M.No. 084993
FRN - 000050N

Place : New Delhi
Dated: May 30, 2013

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer

ARTI GUPTA
Joint Managing Director

ARUN MITTER
Executive Director

BHARAT KUMAR
Director

ONKAR NATH AGGARWAL
Director

SHARAD AGGARWAL
Director

M.K. MADAN
Vice President & Company Secretary
& Chief Financial Officer

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

PARTICULARS	Note No.	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
INCOME			
Revenue from operations	19	**124,852,734**	130,396,957
Other income	20	**35,714,741**	42,493,958
Total (A)		**160,567,475**	172,890,915
EXPENDITURE AND CHARGES			
Finance costs	21	**30,421,579**	5,964,492
Employees benefits expense	22	**22,464,964**	20,857,006
Operating, administrative and other expenses	23	**71,792,070**	53,279,792
Depreciation and amortization expense	24	**7,656,218**	14,259,237
Loss on sale of non current investments		**-**	5,345,000
Total (B)		**132,334,831**	99,705,527
Profit before exceptional items, provisions, extra ordinary items and tax (A-B)		**28,232,644**	73,185,388
Exceptional items		**-**	-
Profit before provisions, extra ordinary items and tax		**28,232,644**	73,185,388
Provision for doubtful debts written back		**3,288,133**	1,673,265
Lease equalisation written back		**8,437,204**	-
Profit before extra ordinary items and tax		**39,957,981**	74,858,653
Extra ordinary items	25	**-**	42,194,888
Profit before tax for the year		**39,957,981**	117,053,541
Tax Expenses:			
Minimum alternate tax (MAT)		**(7,000,000)**	(21,500,000)
Excess/(Short) provision of earlier years		**-**	(245,740)
Profit after tax for the year		**32,957,981**	95,307,801
Earnings Per Share (Face Value - Rs. 10 per share)			
Basic		**1.70**	4.49
Diluted		**1.70**	4.49
Summary of Significant Accounting Policies	1		
The accompanying notes 1 to 44 are an integral part of the financial statements.			

As per our report of even date attached
for S.N.Dhawan & Co.
Chartered Accountants

(S.K.Khattar)
Partner
M.No. 084993
FRN - 000050N

Place : New Delhi
Dated: May 30, 2013

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CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2013

	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**39,957,981**	117,053,541
Adjustments for:		
Depreciation/Amortisation	**7,656,218**	14,259,237
Loss on sale/ discard of fixed assets	**-**	426,049
Profit on sale of fixed assets	**(2,045,528)**	(9,045,955)
Reversal of provision for doubtful debts	**(3,288,133)**	(1,673,265)
Reversal of provision for lease equalisation	**(8,437,204)**	
Interest paid	**30,421,579**	5,964,492
Interest received	**(24,791,613)**	(14,641,168)
Provision for gratuity	**1,106,654**	903,675
Provision for leave encashment	**110,011**	43,971
Dividend Income	**-**	(1,013,281)
Profit on sale of investments	**-**	(45,350,924)
Loss on sale of investment	**2,824,725**	-
Operating profit before working capital changes	**43,514,690**	66,926,372
Increase/(Decrease) in trade payable	**-**	(33,249,264)
Increase/(Decrease) in other long term liabilities	**4,500,000**	(1,800,000)
Increase/(Decrease) in other current liabilities	**101,555,375**	103,659,621
(Increase)/Decrease in trade receivables	**(2,023,425)**	728,604
(Increase)/Decrease in long term loans and advances	**(91,800,000)**	(116,525,000)
(Increase)/Decrease in other non current assets	**(152,577)**	1,128,445
(Increase)/Decrease in other current assets	**(2,862,639)**	(21,672,627)
Net cash used in operations	**52,731,423**	(803,848)
Income tax paid	**(15,870,601)**	(25,954,739)
Net cash flow from operating activities	**36,860,822**	(26,758,587)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	**(1,475,707)**	(3,133,947)
Sale of fixed assets	**19,800,000**	10,323,500
Addition in investments	**(115,809,512)**	(22,375,177)
Dividend income	**-**	1,013,281
Interest received	**24,791,613**	14,641,168
Net cash flow from investing activities	**(72,693,606)**	468,825
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in long term borrowings	**(158,812,863)**	(84,220,469)
Increase/(Decrease) in short term borrowings	**223,801,091**	150,232,242
Interest paid	**(30,421,579)**	(5,964,492)
Dividend paid	**(107,879)**	(27,994,293)
Tax on dividend	**-**	(4,824,077)
Net cash flow from financing activities	**34,458,770**	27,228,911
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,374,014)**	939,149
Opening cash and cash equivalents	**7,856,880**	6,917,731
Closing cash and cash equivalents	**6,482,866**	7,856,880

Note:

1 Components of cash and cash equivalents:	**Year ended March 31, 2013**	Year ended March 31, 2012
Cash and cheques in hand	**116,140**	567,940
Balances with banks	**6,366,726**	7,288,940
	6,482,866	7,856,880

2 Previous year figures have been re-grouped/re-arranged/re-classified wherever necessary to make them comparable with the current year figures.

As per our report of even date attached
for S.N.Dhawan & Co.
Chartered Accountants

(S.K.Khattar)
Partner
M.No. 084993
FRN - 000050N

Place : New Delhi
Dated: May 30, 2013

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M.K. MADAN
Vice President & Company Secretary
& Chief Financial Officer

Notes forming part of the financial statements for the year ended March 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

i) The financial statements have been prepared on a Going Concern basis, on historical cost convention, applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 which have been notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956 and after taking into account the applicable guidelines issued by the Reserve Bank of India to Non Banking Financial Companies from time to time and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

ii) Fixed Assets

Fixed Assets (including assets given on lease upto 31.3.2001) have been stated at cost less accumulated depreciation and impairment, if any. Cost refers to cost of acquisitions/revalued cost.

iii) Investments

Long Terms Investments are valued at cost. Cost refers to actual cost of acquisition / carrying cost. Provisions for diminution in value, if any, is made if decline is of permanent nature. Current Investments are valued at lower of cost or market value. Investments in Immovable Properties are valued at cost. Other Investments are stated at cost less provision for decline in value, if any.

iv) Inventories

Inventories are stated at lower of cost or net realizable value less provision for obsolescence, if any.

v) Repossessed Vehicles

Repossessed Vehicles in hand are valued at the Principal or Principal and Interest amount due form hirers or at net realisable value, whichever is lower.

vi) Depreciation

a) Assets on Lease and Assets at Gas Division: Pro-Rata on straight line method, as per rates prescribed in Schedule XIV to the Companies Act, 1956.

b) Other Fixed Assets: Pro -rata on Written Down Value method as per rates prescribed under the Income Tax Act, 1961 or as per rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

c) Assets costing Rs. 5,000/- or below are fully depreciated in the year of acquisition.

d) No write off is made in respect of lease relating to leasehold lands.

e) No depreciation is provided in respect of investments in Land and Buildings held as investments, (other than those under development) as the amount set aside under Property Reserve is considered adequate to cover such depreciation.

f) Depreciation on Land & Buildings is provided on composite cost, where cost of Land is not separately ascertained.

vii) Classification of Assets and Provisioning

Assets are classified into Performing and Non Performing categories based on their record of recovery as prescribed by the Reserve Bank of India's Prudential Norms and after considering adjustments effected, if any. Income from Non Performing Assets is recognised when realised and provision made as per Prudential Norms.

viii) Revenue Recognition

a) Finance Charges on hire purchase/ loan against hypothecation contracts and income from finance lease transactions are computed using Internal Rate of Return method which ensures a constant periodic rate of return on net finance amount outstanding.

b) Lease Rentals are accounted for as per terms of lease agreements. However, in compliance of the Guidance Note issued by the Institute of Chartered Accountants of India, and applicable to transactions entered into prior to 01.4.2001, the differential between the Capital Recovery Component comprised (based on the Internal Rate of Return method) in the lease rentals and the depreciation referred to in Para 6(a) above, (for all assets acquired on or beginning from 1st April, 1995 from accounting year 1995-96 and in respect of assets acquired upto 1.4.1995 prospectively from the accounting year 1996-97) is carried to "Lease Equalisation" in the Profit & Loss Account.

c) Income from Non Performing Assets is recognised when realised.

d) Bills Discounting Charges are accounted for on accrual basis except in case of Non Performing Assets, wherein it is recognised on realisation basis.

e) Overdue charges from hirers/lessees are accounted for on realisation basis in view of uncertainly thereof.

f) Interest income in the Profit & Loss Account is recognised on accrual basis.

g) Interest on Post Office Savings Bank Account, Insurance claims etc. are accounted for on receipt basis.

h) Dividend is accounted for on accrual basis when the right to receive dividend is established.

ix) Retirement Benefits

a) Provision for Gratuity payable to eligible employees and for leave encashment is made based on actuarial valuation or as per actual liability, which ever is higher .

b) Provident Fund contribution for all employees is charged to revenue each year.

x) Deferred Revenue Expenditure

a) Shares and Debenture issue expenses are written off over a period of ten years.

b) The total liability under Voluntary Retirement Scheme (VRS) is amortised to the Profit & Loss Account over the period of expected future benefits (a period of five years) commencing from the year the employees opts for the scheme. The unamortized amount to the extent not written off is disclosed as "Miscellaneous Expenditure."

xi) Deferred Tax

Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/ (loss) and the accounting income/ (loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is 'virtual certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.

xii) Income Tax

The current tax under Indian Income tax relates to Minimum Alternate Tax(MAT) as per the provisions of Section 115JB, it is expected to be recovered in future years and the same has been recognized as MAT credit entitlement.

xiii) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its realisable value. The realisable value is greater of the assets net selling price and value in use.

xiv) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of past event,

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, of which the probability of outflow of resources is remote.

Contingent Assets are neither, recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

2. SHARE CAPITAL

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
AUTHORISED		
50,000,000 (Previous Year 50,000,000) Equity Shares of ₹10/- each	**500,000,000**	500,000,000
Issued, subscribed and paid up **19,363,595** (Previous year 19,363,595) Equity Shares of ₹10/- each fully paid up	**193,635,950**	193,635,950

a) The Company has one class of equity shares having a par value of ₹ 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend(if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) 277 Equity Shares out of issued, subscribed and paid up share capital were allotted in 2008-09 pursuant to the Schemes of amalgamation without payments being received in cash.

c) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31.03.2013		As at 31.03.2012	
	Nos.	₹	Nos.	₹
Equity Shares				
At the beginning of the year	**19,363,595**	**193,635,950**	19,363,595	193,635,950
Add: Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**19,363,595**	**193,635,950**	19,363,595	193,635,950

d) Details of shareholders holding more than 5% shares in the company

	As at 31.03.2013		As at 31.03.2012	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10- each fully paid up				
Bahubali Services Limited	**4,072,836**	**21.03**	3,795,471	19.60
Shri Rajiv Gupta & Arti Gupta	**1,600,000**	**8.26**	1,400,000	7.23
Smt. Arti Gupta & Shri Rajiv Gupta	**981,000**	**5.07**	981,000	5.07

3. RESERVES AND SURPLUS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Capital Reserve	**610,050**	610,050
Securities Premium Account	**88,840,900**	88,840,900
Statutory Reserve Fund		
(under Section 45 IC of Reserve Bank of India Act)		
Opening balance	**159,845,287**	140,783,727
Add: Transferred from surplus/ (deficit) in statement of profit & loss	**6,591,596**	19,061,560
Closing balance	**166,436,883**	159,845,287
Revaluation Reserve		
Opening balance	**264,112,421**	265,257,996
Less: Transferred to depreciation & amortization	**1,031,018**	1,145,575
Closing balance	**263,081,403**	264,112,421
Property Reserve		
Opening balance	**50,211,744**	46,613,264
Add: Transferred from depreciation & amortization	**3,510,472**	3,695,931
	53,722,216	50,309,195
Less: deductions during the year	**-**	97,451
Closing balance	**53,722,216**	50,211,744
General Reserve		
Opening balance	**257,787,106**	257,787,106
Add: Transferred from surplus/ (deficit) in statement of profit & loss	**-**	-
Closing balance	**257,787,106**	257,787,106
Surplus/ (deficit) in statement of profit & loss		
Opening balance	**(198,337,910)**	(274,584,151)
Add: profit for the year	**32,957,981**	95,307,801
	(165,379,929)	(179,276,350)
Less: Appropriations		
Transfer to Statutory Reserve Fund	**6,591,596**	19,061,560
Closing balance	**(171,971,525)**	(198,337,910)
TOTAL	**658,507,033**	623,069,598

4. LONG TERM BORROWINGS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Secured		
Term Loan		
From Bank (Kotak Mahindra Bank Limited)	**119,500,000**	241,800,000
Working Capital Loan		
From others (Kotak Mahindra Prime Limited)	**46,666,667**	70,000,000
Vehicle Loan		
From others (Kotak Mahindra Prime Limited)	**-**	13,179,531
Total	**166,166,667**	324,979,531

Notes:-

a) Term Loan from Kotak Mahindra Bank Limited is secured by way of mortgage of one of company's properties and hypothecation of trade receivables including all present and future lease rentals and personal guarantee of two directors.

b) The principal of term loan is payable by way of monthly installments and the rate of interest ranging from 15.30 % to 15.55%. The principal amount of loan repayable by way of monthly instalments. Loan repayable in FY 2014-15 ₹ 83,400,000 and in FY 2015-16 ₹ 36,100,000

c) Working capital loan is secured by way of first & exclusive equitable mortgage of one of the properties of the company and personnel guarantee of two Directors.

d) Working capital loan is repayable in 24 monthly installments. The rate of interest on working capital loan is ranging from 15.30% to 15.55%.

5. OTHER LONG TERM LIABILITIES

Security deposits	**72,418,000**	67,918,000
	72,418,000	67,918,000

6. LONG TERM PROVISIONS

For gratuity	**6,995,900**	6,046,649
For leave encashment	**763,455**	677,789
For non performing assets as per RBI norms	**-**	878,645
Total	**7,759,355**	7,603,083

7. SHORT TERM BORROWINGS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Unsecured		
From others (Kotak Mahindra Prime Limited)		
Short Term Loan	**100,000,000**	**-**
Unsecured		
Inter corporate deposits from related parties		
- Bahubali Services Ltd.	**220,000,000**	70,900,000
	320,000,000	70,900,000

Short term loan is secured against the securities of mutual funds and shares held by the directors and their family members and group entities and is further secured by personal guarantee of two directors of the Company.

8. TRADE PAYABLES

Trade payables	**5,814,862**	5,814,862
	5,814,862	5,814,862

9. OTHER CURRENT LIABILITIES

Current maturities of long term loan from bank	**122,300,000**	167,400,000
Current maturities of vehicle loan	**-**	3,532,242
Current maturities of working capital loan	**23,333,333**	-
Other liabilities	**67,410,454**	66,013,213
Advances from related parties	**167,700,000**	76,700,000
Bank book overdraft	**5,872,357**	732,421
Interest accrued but not due on		
Term loan	**1,571,037**	2,781,666
Working capital loan	**1,198,068**	509,954
Short Term Loan	**36,986**	-
Vehicle loan	**-**	101,536
Inter corporate deposits	**5,000,000**	394,737
Unclaimed dividend *	**3,381,133**	3,489,012
	397,803,368	321,654,781

* There are no amount due and outstanding to be credited to Investors Education and Protection Fund

10. SHORT TERM PROVISIONS

For gratuity	**5,061,923**	4,904,520
For leave encashment	**424,322**	399,977
For non performing assets as per RBI norms	**7,393,857**	9,803,345
	12,880,102	15,107,842

11: FIXED ASSETS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Gross Block		
Assets relating to Leasing Business	**101,102,551**	101,102,551
Other Assets	**385,557,314**	412,579,525
	486,659,865	513,682,076
Less: Depriciation	**215,327,771**	220,894,453
	271,332,094	292,787,623
Less: Accumulated Lease Adjustment	**26**	8,437,230
Net Block	**271,332,068**	284,350,393

11 A : FIXED ASSETS

(In ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01.04.2012	Additions during the year	Deductions	As at 31.03.2013	Up to 01.04.2012	Additions	Deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Assets on Lease										
Earth Moving Machinery	**52,591,529**	-	-	**52,591,529**	52,591,523	-	-	**52,591,523**	**6**	6
General Machinery	**24,553,179**	-	-	**24,553,179**	24,553,165	-	-	**24,553,165**	**14**	14
Gas Cylinders	**530,000**	-	-	**530,000**	529,999	-	-	**529,999**	**1**	1
Vehicles	**1,122,629**	-	-	**1,122,629**	1,122,627	-	-	**1,122,627**	**2**	2
Commercial Vehicles	**21,984,214**	-	-	**21,984,214**	21,984,212	-	-	**21,984,212**	**2**	2
Thermax Boilers	**321,000**	-	-	**321,000**	320,999	-	-	**320,999**	**1**	1
Total	**101,102,551**	-	-	**101,102,551**	**101,102,525**	-	-	**101,102,525**	**26**	**26**
Other Fixed Assets										
Land *										
Freehold	**131,205,451**	-	-	**131,205,451**	-	-	-	-	**131,205,451**	131,205,451
Leasehold	**111,443,394**	-	-	**111,443,394**	-	-	-	-	**111,443,394**	111,443,394
Land & Buildings										
Freehold	**50,222,493**	-	-	**50,222,493**	38,436,831	**1,178,567**	-	**39,615,398**	**10,607,095**	11,785,662
Leasehold	**36,000,000**	-	-	**36,000,000**	28,787,168	**721,283**	-	**29,508,451**	**6,491,549**	7,212,832
Vehicles	**39,496,138**	-	28,497,918	**10,998,220**	15,205,452	**1,988,054**	10,743,446	**6,450,060**	**4,548,160**	24,290,686
Furniture & Fixtures	**1,365,625**	99,407	-	**1,465,032**	661,467	**131,168**	-	**792,635**	**672,397**	704,158
Office Machines	**4,684,703**	-	-	**4,684,703**	4,387,512	**44,581**	-	**4,432,093**	**252,610**	297,191
Computer	**1,256,154**	38,500	-	**1,294,654**	1,171,429	**71,137**	-	**1,242,566**	**52,088**	84,725
Electric Fittings, Equipment & Fans etc.	**20,337,975**	-	-	**20,337,975**	15,803,253	**680,208**	-	**16,483,461**	**3,854,514**	4,534,722
Lifts	**3,891,729**	-	-	**3,891,729**	3,733,166	**23,785**	-	**3,756,951**	**134,778**	158,563
Air Conditioners & Coolers	**12,675,863**	1,337,800	-	**14,013,663**	11,605,650	**337,981**	-	**11,943,631**	**2,070,032**	1,070,213
Total	**412,579,525**	**1,475,707**	**28,497,918**	**385,557,314**	119,791,928	**5,176,764**	**10,743,446**	**114,225,246**	**271,332,068**	292,787,597
Grand Total	**513,682,076**	**1,475,707**	**28,497,918**	**486,659,865**	**220,894,453**	**5,176,764**	**10,743,446**	**215,327,771**	**271,332,094**	**292,787,623**
Previous year	553,770,847	3,133,947	43,222,718	513,682,076	250,704,696	11,708,881	41,519,124	220,894,453	292,787,623	

* Title deed of leasehold plot costing Rs. 3,594/- is pending execution.

12 : NON-CURRENT INVESTMENTS

	PARTICULARS	VALUE As at 31.03.2013 ₹	As at 31.03.2012 ₹
1.	**EQUITY SHARES FULLY PAID UP**		
	NON TRADE- Long Term		
	Quoted		
	2,172,300 (2,172,300) equity shares of ₹ 10/- each of Jayabharat Credit Limited *	**29,316,380**	29,316,380
	4,608,840 (4,608,840) equity shares of ₹ 10/- each of India Lease Development Limited *	**61,189,351**	61,189,351
	1,200(1,200) equity shares of ₹ 10/- each of Metal Box India Limited	**17,100**	17,100
	4,700 (4,700) equity shares of ₹ 10/- each of Rajasthan Breweries Ltd	**140,836**	140,836
	15,000 (15,000) equity shares of ₹ 10/- of Sri Ramakrishna Mills(CBE) Limited	**450,641**	450,641
	10,000 (10,000) equity shares of ₹ 10/- each of MTZ (India) Limited	**500,000**	500,000
	450 (450) equity shars of ₹ 10/- each of Mawana Sugars Limited	**9,000**	9,000
		91,623,308	91,623,308
	* Companies under the Same Management		
	Unquoted		
2.	**SHARES IN COOPERATIVE SOCIETIES**		
	50(50) shares of ₹ 10/- each in Atlanta Premises Cooperative Society Ltd.	**500**	500
		500	500
3.	**INVESTMENT IN IMMOVABLE PROPERTIES**		
	Building on Leasehold Land	**191,696,057**	191,696,057
	Building on Freehold Land	**25,358,630**	25,358,630
	Commercial Project Under Construction	**844,380,148**	699,354,361
		1,061,434,835	916,409,048
	TOTAL	**1,153,058,643**	1,008,032,856

NOTES:

		Cost	Market Value
i)	Aggregate value of quoted long term investments	**91,623,308**	**62,677,439**
		(91,623,308)	(60,146,632)
ii)	Aggregate value of investment in unquoted investments	**1,061,435,335**	**-**
		(916,409,548)	(-)

iii) The Company has only commercial right in commercial project under execution and as such all the expenditure made have been capitalised.

iv) Investments are valued at cost

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
13. LONG TERM LOANS AND ADVANCES		
Inter Corporate Deposits		
(Unsecured and Considered Good)		
Deposits with related parties		
Jaya Bharat Credit Limited	**345,900,000**	254,100,000
Other Deposits	**2,500,000**	2,500,000
	348,400,000	256,600,000
14. OTHER NON CURRENT ASSETS		
Security deposits		
Considered good	**3,537,738**	3,074,238
Considered doubtful	**1,256,280**	1,256,280
Fixed deposits with banks having maturities of more than twelve months*	**113,516**	424,439
Saving bank a/c with post office	**1,010**	1,010
(Pledged with excise department)		
Advance tax/tax deducted at source (net of provisions)	**12,686,021**	3,815,420
	17,594,565	8,571,387

* lodged as margin for issuing bank guarantees to government authorities.

15. CURRENT INVESTMENTS

PARTICULARS	VALUE As at 31.03.2013 ₹	VALUE As at 31.03.2012 ₹
Bonds/ Debentures / Structured Products (Unquoted)		
Nil (8) bonds of ₹ 1,000,000 each of Barclays Investments & Loans (India) Limited- Series 210	-	8,040,000
Nil (6) bonds of ₹ 4,000,000 each of Barclays Investments & Loans (India) Limited- Series 194	-	24,001,000
TOTAL CURRENT INVESTMENTS	-	32,041,000

NOTES:

		Cost
i)	Aggregate value of unquoted current investments	32,041,000
		(32,041,000)

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
16. TRADE RECEIVABLES		
1. Lease Rentals :		
Considered doubtful	**3,582,194**	3,582,194
2. Others Considered good		
Other debts	**2,023,425**	-
3. Hire Purchase Business		
(Secured by vehicles under hire purchase agreement)		
Instalments receivable from Hirers:		
Outstanding for over six months		
Considered doubtful	**652,465**	652,465
	6,258,084	4,234,659
17. CASH AND BANK BALANCES		
Cash & Cash equivalents		
Cash in hand and stamps	**114,671**	37,940
Cheques in hand	**1,469**	530,000
With Scheduled Banks in:		
Current accounts	**5,125,441**	5,671,560
Other Bank Balances		
Fixed deposits having maturities upto twelve months*	**1,241,285**	1,617,380
	6,482,866	7,856,880

NOTES:

Balance in current accounts Include ₹ **3,381,133/-** (Previous year ₹ 3,489,012/-) earmarked against unclaimed dividend.

* Include ₹ **368,379/-** (previous year ₹ Nil/-) lodged as margin for issuing bank guarantees to government authorities.

18. OTHER CURRENT ASSETS		
(Unsecured, Considered Good)		
Interest accrued on inter corporate deposits	**11,263,811**	4,278,501
Interest accrued but not due on fixed deposits	**44,268**	91,257
Advances recoverable in cash or in kind or for value to be received	**20,551,032**	24,626,714
	31,859,111	28,996,472

	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
19. REVENUE FROM OPERATIONS		
Hire purchase charges	**14,600**	7,500
Lease charges	**473,589**	2,055,752
Bills discounting charges	**1,000,000**	1,400,000
Rent from investments in immovable properties	**123,364,545**	126,933,705
	124,852,734	130,396,957
20. OTHER INCOME		
Dividends from current investments	**-**	1,013,281
Interest received :		
Fixed deposits with banks	**120,531**	122,968
Intercorporate deposits	**23,061,232**	14,453,800
Current investments	**720,000**	-
Others	**889,850**	64,400
Miscellaneous income	**7,641,146**	6,210,932
Profit on sale of fixed assets/leased assets (net)	**2,045,528**	9,045,955
Profit on sale /redemption of current investments	**-**	3,156,036
Miscelleneous balances written back	**-**	3,837,447
Bad debts realised	**1,236,454**	4,589,139
	35,714,741	42,493,958
21. FINANCE COST		
Interest expenses		
On inter corporate deposits	**11,559,988**	2,028,016
On vehicle loan	**920,131**	1,973,309
On working capital loan	**16,495,305**	566,616
On short term loans	**41,096**	
On others	**1,405,059**	20,141
Other borrowing costs		
Processing charges	**-**	1,376,410
	30,421,579	5,964,492
22. EMPLOYEES BENEFITS EXPENSE		
Salaries, wages, allowances, bonus	**17,691,466**	16,528,017
Company's contribution to provident fund / other funds	**1,492,931**	1,412,354
Gratuity paid/provided	**1,106,654**	903,675
Staff welfare	**2,173,913**	2,012,960
	22,464,964	20,857,006

22.1 Liability for Employee's Leave Encashment has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) as prescribed by Companies (Accounting Standards) Rules, 2006, the detail of which is as under:

		Leave Encashment	
A.	**Assumptions**		
	Particulars	**31.03.2013**	31.03.2012
	Discount Rate	**8.00%**	8.60%
	Rate of Return on Plan Assets	**0.00%**	0.00%
	Salary Escalation	**5.67%**	5.67%
B.	**Changes in Benefit Obligations**		
	Liability at beginning of the year	**1,077,767**	1,033,796
	Interest Cost	**92,688**	82,704
	Current Service Cost	**Nil**	Nil
	Benefit Paid	**-**	-
	Actuarial(gain)/ Loss on obligation	**17,323**	(38,733)
	Liability at the end of the year	**1,187,778**	1,077,767
C.	**Fair Value of Plan Asset**		
	Fair Value of Plan Assets at beginning of the year	**Nil**	Nil
	Expected Return on Plan Assets	**Nil**	Nil
	Contributions	**Nil**	Nil
	Benefits Paid	**Nil**	Nil
	Actuarial Gain / (Loss) on Plan Assets	**Nil**	Nil
	Fair value of Plan Assets at the end of the year	**Nil**	Nil
	Funded Status	**Unfunded**	Unfunded
D.	**Expenses recognised in the Statement of Profit & Loss**		
	Current Service Cost	**-**	-
	Interest Cost	**92,688**	82,704
	Net Actuarial (Gain)/ Loss for the period	**17,323**	(38,733)
	Expenses Recognised in Statement of Profit & Loss	**110,011**	43,971
E.	**Balance Sheet Reconciliation**		
	Opening Net Liability	**1,077,767**	1,033,796
	Expenses charged to Statement of Profit & Loss	**110,011**	43,971
	Benefit Paid	**-**	-
	Closing Liability as at 31.03.2013	**1,187,778**	1,077,767

22.2 The Company has charged ₹ **1,106,654/-** (previous year ₹ 903,675/-) to Statement of Profit & Loss for the year ended March 31, 2013 towards Gratuity Liability as per Payment to Gratuity Act, 1972. The closing Gratuity liability(current & non current) as on March 31, 2013 is ₹ **12,057,823/-**(previous year ₹ 10,951,169/-).

	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
23. OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		
Rent	**534,000**	275,100
Rates & taxes and ground rent	**21,252,086**	11,515,337
Auditors remuneration towards:		
Audit fees	**325,000**	325,000
Tax audit	**75,000**	75,000
Certification	**75,000**	75,000
Service tax	**58,710**	48,925
Transport, travelling and motor car expenses	**9,608,717**	8,419,077
Brokerage, commission and service charges	**73,000**	84,650
Donations	**1,477,000**	1,252,000
Insurance	**619,987**	1,039,549
Bank charges	**107,350**	266,690
General expenses	**7,452,354**	7,930,465
Electricity expenses	**4,577,037**	4,231,486
Legal & professional charges	**11,597,115**	5,253,630
Postage, telegram & telephone expenses	**1,060,671**	1,683,316
Printing & stationary	**2,020,841**	1,916,157
Repairs to buildings	**1,029,603**	915,865
Repairs to others	**3,152,255**	3,286,062
Sundry expenses	**3,871,619**	4,260,434
Loss on sale of short term investments	**2,824,725**	-
Fixed assets written off	**-**	426,049
	71,792,070	53,279,792
24. DEPRICIATION AND AMORTIZATION EXPENSES		
Depreciation	**5,176,764**	11,708,881
Property reserve	**3,510,472**	3,695,931
Less: Transferred from revaluation reserve	**1,031,018**	1,145,575
	7,656,218	14,259,237
25. EXTRA ORDINARY ITEMS		
Profit on sale of investment in properties	-	42,194,888
	-	42,194,888

26. CONTINGENT LIABILITIES: (₹)

Particulars	March 31, 2013	March 31, 2012
a) Guarantees given to Sales Tax and other authorities, on behalf of the company (against pledge of fixed deposits)	**481,895**	424,439
b) Other disputed demands not acknowledged as debts		
i) Electricity charges(BSES)	**6,992,324**	6,924,303
ii) Interest on Property Tax (MCD)	**4,752,630**	-

27. The Company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non-Accepting Deposits Non Banking Finance Company.

28. In terms of Notification No.RBI/2006-07/200/DNBS/PDCC No.85/03.02.089 dated December 6, 2006 for continuation of business of NBFI, under Section 45-1A of the RBI Act,1934 pending issuance of fresh certificate of registration, the company continues to correspond to the classification as per the certificate issued under the NBFCs norms.

29. In view of the Company's substantial holding in Jayabharat Credit Limited (JBCL) and to preserve Company's reputation and image, the Board of Directors of the Company had taken a conscious decision to give Inter-Corporate Deposit (ICD), at the rate of interest mutually agreed in the financial year 2010-11 to meet the contingency in repayment of public deposits and banks of JBCL. The outstanding amount of the ICD is ₹ **345,900,000** (Previous Year ₹ 254,100,000) will be settled once JBCL becomes a debt free company. However, the interest on the ICD is being recovered regularly.

30. Non current long term investments are to be valued at cost in terms of Accounting Standard-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and as recommended by Reserve Bank of India's guidelines, subject to provision for diminution in value, other than temporary in nature. However, considering the long term nature and other related matters, investments in quoted companies amounting to ₹ **90,505,731** (Previous Year ₹ 90,505,731) have been valued at cost and the temporary short fall of ₹ **28,042,951**. (Previous Year ₹ 30,598,031) has not been provided for. As in the opinion of the management, the same is temporary in nature.

31. The Company could not comply with the Reserve Bank of India guidelines prescribed for Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 with regard to credit concentration exposure in respect of one company which have become in excess of prescribed limits. However, RBI has been requested to give exemption in exceeding the exposure.

32. The Company in one of the properties, on the demand raised during the year, by the Municipal Corporation of Delhi, has deposited ₹ 1,40,29,312/- towards conversion charges and additional FAR charges for commercial use. The matter is under negotiation with tenants and the management is hopeful to recover the same. Further for the current year, the same is being contested with MCD and on finality of the same, the amount, if any, will be deposited from the amount recovered from the tenants.

33. Hire Purchase Business

	March 31, 2013	March 31, 2012
Amounts for which installments are due but have not been received:		
a) More than six months	**652,465**	652,465

34. Deferred Taxation

On a prudent and conservative basis, Deferred Tax Asset, due to timing differences, arising from Unabsorbed Depreciation, Business Loss and Provisions for Non Performing Assets have not been recognised in the absence of any certainty that sufficient future taxable income will be available in the foreseeable future against which the net Deferred Tax Assets can be realised.

35. Current Taxation:-

a) Provision for Income Tax for the year has been made after considering relief available under the Income Tax Act, 1961.

b) Income Tax assessments up to the financial year 2009-10 (Assessment Year 2010-2011) have been completed and there are no pending demands against the Company.

36. Segment information :-

The Company's business activities predominantly relate to providing finance by way of Hire Purchase and Leasing Operations. Accordingly revenue from financing activities comprises the primary basis of segmental reporting. Hence segmental reporting as defined in Accounting Standard – 17 is not applicable.

37. Balance in parties accounts whether in debit or in credit are subject to confirmation.

38. Disclosure of details pertaining to related party transactions entered into during the year in terms of Accounting Standard -18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India:

a) List of Related Parties

(As identified and certified by the management)

i) Under Common Control

India Lease Development Limited, Jayabharat Credit Limited and Bahubali Services Limited.

ii) Enterprises over which the key management personnel are able to exercise significant influence.

MGF Motors Private Limited, Kerala Cars Private Limited, Ram Prakash & Co.Private Limited and Grosvenor Estates Pvt.Limited.

iii) Key Management Personnel

Shri Rajiv Gupta, Smt Arti Gupta and Shri. Arun Mitter.

b) Details of transactions entered into with related parties: **(Amount in Rs.)**

Particulars	Under Common Control	Enterprises over which Key Management Personnel is able to exercise influence	Key Management Personnel
ICD taken	**163,200,000**	-	-
	(116,500,000)	(**38,500,000)**	
ICD Repaid	(**54,100,000)**	(38,500,000)	
ICD given	**91,800,000**	-	-
	(116,525,000)		
Interest Received on ICD	**22,688,232**	-	-
	(14,078,800**)**		
Interest paid on ICDs	**11,559,988**	**-**	-
	(1,484,094)	(543,292)	
Investment sold		-	-
Director's Remuneration	-	-	**4,036,302**
			(3,872,240)
Services Charges paid	-	-	-
Rent Received	**-**	**-**	**-**
	(-)	(800,000)	(-)
Property Sold	-	-	-
Fixed Asset purchased	-	(Nil)	-
Maintenance received	-	**534,000**	-
		(181,234)	
Outstanding Balance as on 31-3-2013		-	-
-ICD receivable(including advances)	**356,826.311**	-	-
	(258,041,001)		
-ICD/Advance payable including interest	**225,000,000**	**167,700,000**	-
	(71,294,734)	(76,700,000)	

(Previous year's figures are given in bracket)

39. Assets Given Under Finance Lease From 1st April, 2001 In accordance with The Accounting Standard - 19, "Leases" , issued by The Institute of Chartered Accountants of India, with contractual maturities in Lease Financing Activities (Including Hire Purchase Agreements with an option to the hirer to acquire the Assets) are set out below :-

		Gross Investment in Finance Lease (1)	Unearned Financial Income (2)	Present Value of Future Lease/Hire Purchase vehicles (3)=(1)-(2)
a)	**Lease Receivable**			
	(in respect of transactions after 1.4.2001)			
	-Not later than one year	-	-	-
	-Later than one but not later than five years	-	-	-
	-Later than five years	-	-	-
	Total	-	-	-
	Less: Provision for Uncollectable/receivables	-	-	-
	Total	**-**	**-**	**-**
b)	**Hire Purchase Receivables**			
	(in respect of transactions after 1.4.2001)			
	-Not later than one year	-	-	-
	-Later than one but not later than five years	-	-	-
	-Later than five years	-	-	-
	Total	**Nil**	**Nil**	**Nil**
	Less: Provision for Collectible Lease/HP Receivables	-	-	-
	Total	**Nil**	**Nil**	**Nil**

c) In compliance with Accounting Standard-19 relating to "Accounting for Leases" the Company has given the following assets on lease rentals to various parties.

Assets	Cost Rs.	Property Reserve Rs.	Future lease rental (for a period of one year) Rs.
Land & Building	**217,054,687**	**3,510,472**	**135,521,394**
	(217,054,687)	(3,695,931)	(119,470,557)
(Previous year's figures are given in bracket)			

40. Earnings Per Share(E.P.S)

		2012-13	2011-12
a)	Net Profit for the year attributable to Equity Shareholders	**Rs 32,957,981**	Rs 95,307,801
b)	Weight Average Number of Equity Shares	**19,363,595**	19,363,595
c)	Basic Earnings per Share	**Rs 1.70**	Rs 4.49
d)	Diluted Earnings per Share	**Rs 1.70**	Rs 4.49
e)	Nominal value per Share	**Rs 10.00**	Rs 10.00

41. Additional particulars as prescribed by the Reserve Bank of India (RBI) in terms of DNBS (PD) CC No.25/02-02/2002-03 dated 29-03-2003, are given here under:

(1) **Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:**

		Amount Outstanding Rs.	Amount Overdue Rs.
a)	Debentures: Secured		
	Unsecured (Other than falling within the meaning of Public Deposits)	-	-
b)	Deferred Credit	-	-
c)	Term Loans/Working Capital	**414,606,091**	-
d)	Inter Corporate Loans and Borrowings	**225,000,000**	-
e)	Commercial Paper	-	-
f)	Public Deposits including accrued interest	-	-
g)	Other advances	**167,700,000**	-
(2)	**Break up of (1)(f) above(Outstanding Public Deposits inclusive of interest accrued Thereon but not paid)**		
a)	In the form of Unsecured Debentures	-	-
b)	In the form of partly Secured Debentures i.e. Debentures where there is a shortfall in the value of security	-	-
c)	Other Public Deposits	-	-
Assets side:			
(3)	**Break up of Loans and Advances including bills receivables (other than those included in (4)below):**		
a)	Secured	**2,023,425**	-
b)	Unsecured	**385,008,862**	-
(4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities**		
i)	Lease assets including lease rentals under Sundry Debtors:		
a)	Financial Lease		
b)	Operating Lease	**3,582,194**	-
ii)	Stock on hire including lease rentals under Sundry Debtors:		
a)	Assets on hire	**652,465**	
b)	Repossessed Assets	-	
c)	Hypothecation loans counting towards EL/HP activities:		
d)	Loans where assets have been repossessed	-	
e)	Loans other than (a) above	-	
(5)	**Break up of Investments (Net of Provisions)**		
	Current Investments:		
1.	**Quoted**		
i)	Shares: a) Equity	-	
	b) Preference	-	
ii)	Debentures and Bonds	-	
iii)	Units of Mutual Funds	-	
iv)	Government Securities	-	
v)	Others (Please specify)	-	

2.	**Unquoted**		
	i)	Shares: a) Equity	**500**
		b) Preference	**-**
	ii)	Debentures and Bonds	**-**
	iii)	Units of Mutual Funds	**-**
	iv)	Government Securities	**-**
	v)	Others (Please specify)	**-**
Long Term Investments:			
1.	**Quoted**		
	i)	Shares: a) Equity	**91,623,308**
		b) Preference	**-**
	ii)	Debentures and Bonds	**-**
	iii)	Units of Mutual Funds	**-**
	iv)	Government Securities	**-**
	v)	Others (Please specify)	**-**
2.	**Unquoted**		
	i)	Shares: a) Equity	**-**
		b) Preference	**-**
	ii)	Debentures and Bonds	**-**
	iii)	Units of Mutual Funds	**-**
	iv)	Government Securities	**-**
	v)	Others Investment in immovable properties	**1,061,434,835**

(6) **Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances**

(Amount in Rs.)

Category			(net of provisions) Secured	Unsecured	Total
1.	**Related Parties**				
	(a)	Subsidiaries	**-**	**-**	**-**
	(b)	Companies in the same Group	**-**	**356,826,312**	**356,826,312**
	(c)	Other related parties	**-**	**-**	**-**
2.	**Other than related parties**		**2,023,425**	**26,926,270**	**28,949,695**
	Total		**2,023,425**	**383,752,582**	**385,776,007**

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) including investment in immovable properties:**

Category			Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1.	**Related Parties**			
	a)	Subsidiaries	**-**	**-**
	b)	Companies in the same group	**62,462,780**	**90,505,731**
	c)	Other related parties	-	-
2.	**Other than related parties**		**1,06,05,31,917**	**1,062,552,912**
	Total		**1,12,29,94,697**	**1,153,058,643**

(8) **Other Information**

Particulars

i)	Gross Non Performing Assets	
	(a) Related Parties	**-**
	(b) Other than related parties	**8,275,002**
*Due to Accumulated Lease Adjustment		
ii)	Net Non Performing Assets	
	(a) Related parties	**-**
	(b) Other than related parties	**214,659**
iii)	Assets acquired in satisfaction of debt	

(9) The capital to risk assets ratio (CRAR) as on March 31, 2013 is 23.96%.

42. Details of Managerial Remuneration to Managing/Whole Time Directors

(Amount in Rs.)

i) Remuneration	**2012-13**	2011-12
Salary, Wages allowance & Bonus	**2,976,000**	2,889,685
Contribution to Provident Fund	**360,000**	349,046
Perquisites	**700,302**	633,504
Total	**4,036,302**	3,872,240

ii **Directors Sitting Fees**

Sundry Expenses include ₹ **1,04,270/-** (Previous Year ₹ 80,000/-) paid towards Directors' Sitting Fees for attending Board Meetings. No Meeting Fee was paid for attending Committee Meetings.

ii) **Directors Travelling**

Transport, Travelling and Motor Car Expenses include ₹ **14,30,413/-** (Previous Year ₹1,81,371/-) for Directors Travelling

43. There is no amount due to the Micro Small and Medium Enterprises in terms of "The Micro Small and Medium Enterprises Development Act, 2006"

44. The assets and liabilities are classified between current and non current considering 12 months period as operating cycle. The Company has regrouped previous year figures wherever considered necessary.

As per our report of even date attached
for S.N.Dhawan & Co.
Chartered Accountants

(S.K.Khattar)
Partner
M.No. 084993
FRN - 000050N

Place : New Delhi
Dated: May 30, 2013

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer

ARTI GUPTA
Joint Managing Director

ARUN MITTER
Executive Director

BHARAT KUMAR
Director

ONKAR NATH AGGARWAL
Director

SHARAD AGGARWAL
Director

M.K. MADAN
Vice President & Company Secretary
& Chief Financial Officer

OFFICES

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Chief Executive: Sh.S.S. Khera

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Regional Manager: Mr.Umesh Sanan

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Bengaluru-560001
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KOTTAYAM

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(Kerala)
Phones: 2562906, 2562248

NAGERCOIL

316/1, K.P. Road
Nagercoil (T.N.)
Phones: 230048, 230068

COIMBATORE

S.S. Finance Building
First Floor, No. 222 B,
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Ram Nagar Coimbatore - 641009
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THE MOTOR & GENERAL FINANCE LIMITED

Regd.Office: MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002
Phone Nos.: 23272216-18, 23278001-02, Fax No. 23274606
E-mail : mgfltd@hotmail.com
Website : www.mgfltd.com

ADMISSION SLIP

Name of the Member(s)/ Proxy (in Block Letters)	**Folio No.** :
	DP ID No. :
	Client ID No. :
	No. of Shares :

I/We hereby record my/our presence at the 83rd Annual General Meeting of **THE MOTOR & GENERAL FINANCE LIMITED** on Thursday, September 26, 2013 at 11.30 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110 030.

SIGNATURE OF THE MEMBER(S)/PROXY

NOTES: 1. Members/proxy holders must bring this Attendance Slip to the meeting and hand over at attendance counter duly signed.

THE MOTOR & GENERAL FINANCE LIMITED

Regd.Office: MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002
Phone Nos.: 23272216-18, 23278001-02, Fax No. 23274606
E-mail : mgfltd@hotmail.com
Website : www.mgfltd.com

PROXY FORM

Reference Folio No.....Client ID No.....DP ID No.....
I/We.....,
of.....,
being a Member (s) of **THE MOTOR & GENERAL FINANCE LIMITED** hereby appoint.....
.....of.....or, failing
him/her.....of.....,
as my /our proxy to attend and vote for me/us on my /our behalf at the 83rd Annual General Meeting of the company to be held on Thursday, September 26, 2013 at 11.30 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110 030 and/or at any adjournment hereof.

Signed this.....day of.....2013.

Affix Re. 1.00 Revenue Stamp

Signature.....

Notes: (i) A Proxy in order to be effective must be received at the Registered Office of the Company not less than Forty Eight Hours(48) before the scheduled time of the meeting.

(ii) A Proxy need not be a Member.

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