

FORM B

1.	Name of the Company	The Motor & General Finance Limited CIN NO.L74899DL1930PLC000208								
2.	Annual Financial Statements for the year ended	March 31,2014								
3.	Type of Audit qualification	Qualified :- Provision of ₹.511.26 lacs has not been made for diminution in the value of non current long term investments. (Refer Note No.26(iv). Had our aforesaid observation been considered, the profits for the year would have been (₹184.75lacs) (as against the reported figure of ₹.326.51 lacs) and the deficit in statement of profit & loss would have been ₹1904.46 lacs (as against the reported figure of ₹1393.20 lacs).								
4.	Frequency of qualification	Qualified – continuous for more than five years.								
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Refer Note No.26(iv) appearing in the Annual Report which is as under:- “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 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 ₹.51,126,419, (Previous Year ₹. 28,042,951) has not been provided for. As in the opinion of the management, the same is temporary in nature. <u>Management's reply on the Note</u> Diminution in value till last financial year was not consistently the same but was showing a declining trend given as under:- <table><tr><td><u>Financial Year</u></td><td><u>₹ In lacs</u></td></tr><tr><td>2010-11</td><td>- 382.24</td></tr><tr><td>2011-12</td><td>- 305.98</td></tr><tr><td>2012-13</td><td>- 280.42</td></tr></table> In the year 2013-14, it has increased to ₹.511.26 lacs Based on the market value of the shares held in the group companies, as on the date of this report, i.e. May 30,2014, it has improved marginally and diminution in value is only ₹.384.03lacs. The management is actively considering to provide for the shortfall if it continues in the next financial year. Further, at an opportune time, the company may liquidate the investments.	<u>Financial Year</u>	<u>₹ In lacs</u>	2010-11	- 382.24	2011-12	- 305.98	2012-13	- 280.42
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2010-11	- 382.24									
2011-12	- 305.98									
2012-13	- 280.42									

For THE MOTOR & GENERAL FINANCE LTD

[Signature]
(RAJIV GUPTA)
CEO
CMD
DIN:00022964

[Signature]
(M.K. MADAN)
CFO
VP&CS

[Signature]
(BHARAT KUMAR)
CHAIRMAN
(AUDIT COMMITTEE)
DIN:00990117

FOR S. N. DHAWAN & CO
CHARTERED ACCOUNTANTS
FIRM NO.000050N

[Signature]
(S.N. KHATTAR)
PARTNER
M No.84993

