

MGF

81st

**Annual Report
2010 - 2011**

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

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
 GRAM : EMGEEF
E-mail : mgfltd@hotmail.com
Website : www.mgfltd.com

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NOTICE

NOTICE is hereby given that Eighty First(81st) 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 29th September,2011 at 11.30.A.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March,2011 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended 31st March,2011.
3. To appoint a Director in the place of Shri. Arun Mitter, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Sh. Sharad Aggarwal, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Shri. Abhiram Seth, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration. M/s S.N. Dhawan & Co, Chartered Accountants, New Delhi, (ICAI Registration No.000050N) retires and are eligible for re-appointment. Certificate under Section 224(IB) of the Companies Act,1956 has been obtained from them.

SPECIAL BUSINESS

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTIONS AS A SPECIAL RESOLUTION

7. ALTERATION OF ARTICLES OF ASSOCIATION

"Resolved that pursuant to the provision of Section 31 and other applicable provisions, if any, of the Companies Act,1956, Articles of the Association of the Company be and is hereby altered by inserting the following two new Articles i.e. 20 (c)(i) and 50(a)(i) after existing Articles 20 (c) and Articles 50 (a) respectively

20 (c)(i) : Participation in General Meeting(s) of the Members through electronic mode

- (a) Notwithstanding anything contrary contained in the Articles of Association, the company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications etc as may be specified by the Ministry of Corporate Affairs(MCA,)Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act.1956 or by the rules, regulations etc, made there under or the Listing Agreement with Stock Exchanges from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the Members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.
- (b) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules , regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

50(a)(i): Participation in Meeting(s) of Directors through electronic mode

- (a) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act,1956 or by the rules, regulations, etc made there under or the Listing Agreement with Stock Exchanges, from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

- (b) For conducting aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force, and the rules, regulations, circulars, notifications, guidelines etc issued/ to be issued from time to time by Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

AS AN ORDINARY RESOLUTION**8. DONATION TO CHARITABLE INSTITUTIONS**

In supersession of all earlier resolutions passed in this regard Resolved that in accordance with the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act,1956 the Company hereby authorizes the Board of Directors of the Company to contribute on behalf of the Company to charitable and other funds not directly relating to the business of the company or the welfare of its employees, upto 10% of the pretax profits of the respective financial year as may be considered proper by the Board, notwithstanding that such amounts in any financial year may exceed Rs.50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act,1956 during the three financial years immediately preceding, whichever is greater.

Resolved Further that charitable contributions /donations amounting to Rs.8,66,300/- paid during the year 2010-11 be and are hereby approved, confirmed and ratified.

AS AN ORDINARY RESOLUTION**9. CREATION OF CHARGES**

In supersession of earlier resolutions passed by the members of the Company in their Annual General Meeting in this regard held on 12th September,1997 and pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act,1956, the consent of the company be and is hereby accorded to the Board of Directors of the company to mortgage and/or create charge on all immovable and movable properties of the company wheresoever situated, both present and future and the whole or substantially the whole of the undertaking or undertakings of the company in favour of the Public Financial Institutions/Banks/ Financial Institutions and others from time to time for their financial assistance provided to the company, subject to maximum limit of Rs. 500 Crore as approved by shareholders under section 293(1)(d) of the Companies Act,1956 including mortgage/ or charges already created in favour of Kotak Mahindra Bank Limited for its Term Loan not exceeding Rs.50 Crores (Rupees Fifty Crores) lent and advanced.

Resolved Further that the mortgage/charge created/ to be created and/or all agreements/documents/ to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors are hereby confirmed and ratified.

Resolved Further that Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to the resolution and to settle any questions or disputes that may arise in relation thereto".

By Order of the Board
for THE MOTOR & GENERAL FINANCE LIMITED

Place: New Delhi
Date: August 25, 2011

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

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT,1956 AND THE NATURE OF THE CONCERN OR INTEREST OF DIRECTORS UNDER SECTION 302 READ WITH SECTION 173 OF THE COMPANIES ACT,1956

Item No.7

Ministry of Corporate Affairs, Government of India, as part of its Green Initiative in the Corporate Governance, came up with a series of circulars, thereby allowing use of electronic modes in convening and conducting the Board and Shareholders meetings of the Companies.

With a view to implement the green initiative in the Company and in order to ensure maximum participation of shareholders and Board of Directors in the General and Board Meetings respectively, the Board of Directors of the Company has decided to make enabling provisions in the Articles of Association of the Company for adopting electronic modes like video conferencing and other modern electronic systems in conducting Board and General Meetings of the Company.

The new Articles in the Articles of Association will facilitate holding Board and General Meetings vide electronic mode and will ultimately result in effective and larger participation of Directors and shareholders in the affairs of the company and strengthening Corporate Governance norms in the Company.

Considering the benefits attached with the use of electronic mode and to ensure the maximum participation of the Board of Directors and shareholders in their respective meetings, the Board recommends the alteration of Articles of Association as stated in the Special Resolution at Item No.7.

None of the Directors of the Company is deemed to be concerned or interested in the resolution proposed at Item No.7 of the Notice.

Item No.8

As a gesture of benevolence and to fulfill the measures towards corporate social responsibility, the company has to make donations to charitable institutions which, in a financial year, are likely to exceed the maximum limits specified in Section 293(1)(e) of the Companies Act, 1956. As per the provisions of Section 293(1)(e) of the Act, the directors of the Company can contribute to charitable or other institutions in excess of the limits, only if authorised by the Company in the General Meeting subject to the limit specified in the resolution.

Your company made donations to charitable contributions/donations during the financial year 2010-11 aggregating to Rs 8,66,300/- Your Directors recommend that the same may be ratified/confirmed.

Your Directors recommend the resolution as set out in Item No.8 of the Notice for approval of the Members.

None of the Directors is deemed to be concerned or interested in the proposed resolution under Item No.8.

Item No.9

Shareholders in their meeting held on 12th November, 1997 had approved the limit of Rs.50 Crores under Section 293(1)(a). The company may require to raise additional financial facilities from Banks/Financial Institutions and Others to meet increased working capital requirements including completion of project in times to come. Thus there is a need to increase the limit from Rs 50 Crores to Rs.500 Crores under Section 293(1)(a) to borrow the loans from Financial Institutions/Banks and to create necessary security in favour of the lenders for future requirements for which consent of shareholders of the company is required. The company already holds the borrowing powers limit under Section 293(1)(d) upto Rs.500 Crores as approved by the shareholders in their meeting held on 30th September, 1994.

The Directors recommended the resolution for your approval.

None of the Directors of the company is personally interested in the aforesaid resolutions.

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. All documents including copy of an agreement entered into by the Company for execution of an Under Construction Commercial Project at Shalimar Place, referred to hereinabove and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11.00.a.m. and 1.00 p.m. upto the date of Annual General Meeting.
3. Register of Members and Share Transfer Books will remain closed from Monday, the, 26th September, 2011 to Thursday, the 29th September, 2011 (both days inclusive).
4. Trading in the shares of your company is in compulsory demat mode. Members who have not yet got their shares dematerialised, are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have dematerialised account to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.

5. Members holding shares in identical names in different folios are requested to apply for consolidation of the said folios and send share Certificates to facilitate better service.

Further Members holding shares in electronic form may please note that the bank account details and 9 digit MICR code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Services(ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.

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.

6. 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 and 2009-10 will be transferred to the above seven years from the date of its lying unclaimed.**

7. Members are requested:-

- a. to bring their copies of Annual Report and Attendance Slip at the time of 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.

By Order of the Board

for THE MOTOR & GENERAL FINANCE LIMITED

Place: New Delhi

Date: August 25, 2011

(M.K.MADAN)

VICE PRESIDENT & COMPANY SECRETARY & CFO

LISTING REQUIREMENTS

As required under Clause 49(vi) of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment.

- a) **Director being appointed by rotation(Resolution at Item No.3)**

Name	: Shri Arun Mitter
Age & Date of Birth	: 49 years(27.11.1962)
Qualification	: B.Com,ACA.
Experience in specific Functional Areas	: Shri Arun Mitter, a qualified Chartered Accountant, was re-appointed as an Executive Director in the Extra Ordinary General Meeting held on 30th May,2005. He has extensive business experience in general and financial management of corporate bodies. His continued association with the company is considered necessary in the interest of the company.

Other Directorships

MGF Developments Ltd, Jayabharat Credit Ltd, India Lease Development Ltd, MGF Automobiles Ltd, MGF Motors Ltd, Bahubali Services Ltd, MGF Services Ltd, Upper India Hirepurchase Co Association Ltd, Paramba International Ltd, Technofab Engineering Ltd, Capital Vehicles Sales Ltd, Ram Prakash & Co Pvt Ltd, Discovery Holdings Pvt Ltd, MGF Infotech Pvt Ltd, MGF Auto Sales Pvt Ltd, MGF Vehicle Sales Pvt Ltd, MGF Projects Pvt Ltd, MGI(India) Pvt Ltd, Kerala Cars Pvt Ltd, Omega Motors Pvt Ltd, Cards Services India Pvt Ltd, Dove Promoters and Entertainment Pvt Ltd, Meta Dor Technologies Pvt Ltd, MGF Metro Mall Pvt Ltd, MGF Securities Pvt Ltd, Nanny Infrastructure Pvt Ltd and Deap Hospitality Private Ltd.

Committee Membership**The Motor & General Finance Ltd**

Audit Committee

Remuneration Committee

Shareholders 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. 0.055% in the company

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

Name	: Shri Sharad Aggarwal,
Age & Date of Birth	: 45 years(24.11.1966)
Qualification	: B.Com, ACA, LLB
Experience in specific	: Sh.Sharad Aggarwal is a qualified Chartered Accountant and also holds a Law
Financial areas	Degree.His re-appointment will be quite useful to the company

Other Directorships

India Lease Development Ltd, Bahubali Services Ltd, Oaykay Forgings(P) Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F. Beltings Pvt Ltd, Hamilton Land Developers Pvt Ltd, Atlantic Land Developers Pvt Ltd, Jazz Foods Pvt Ltd and Makro Lease Pvt Ltd

Committee Memberships**The Motor & General Finance Ltd**

Audit Committee

Remuneration Committee

Shareholders Grievance & Transfer Committee

India Lease Development Ltd

Audit Committee

Shri Sharad Aggarwal holds 1,33,120 shares i.e.0.69% of the total Paid up Capital

c) **Director being appointed by rotation (Resolution at Item No.4)**

Name : Shri Abhiram Seth
Age & Date of Birth : 60 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 financial 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:

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

Committee Memberships:

Audit Committee

Shareholders Grievance & Transfer Committee

Remuneration Committee

Sh. Abhiram Seth holds 9312 shares i.e. 0.048 % of the total Paid up Capital

SHAREHOLDER'S INFORMATION

Head Office & Registered Office : MGF HOUSE
 4/17-B, Asaf Ali Road,
 New Delhi-110002

Internet Facility

E-mail : mgfltd@hotmail.com

Company's Website : www.mgfltd.com

Telephone No : 23272216-18, 23278001-02

Date of Annual General Meeting : 29th September, 2011

Time, Day and Venue : 11.30 A.M, on Thursday at
 : The Executive Club
 439, Village Shahoorpur,
 P.O. Fatehpur Beri
 New Delhi -110030

Day and Date of Book Closure : Monday, the 26th September,2011 to
 Thursday, the 29th September,2011
 (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 2011-12

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 First (81st) Annual Report and Audited Accounts for the year ended 31st March,2011.

Financial Results

	Year ended 31-3-2011	(Rs. In lacs) Year ended 31-3-2010
Gross Profit before Depreciation, Interest and Provisioning	1273.81	1246.62
Less: Interest:	(3.14)	(10.09)
Add: Provisions against Doubtful/Irrecoverable		
Assets/Loss in value of Investments written Back	146.10	372.03
Less: Depreciation including Impairment	(76.86)	(46.63)
Less: Property Reserve	(39.50)	(42.79)
Provision for Tax	(232.00)	(205.00)
Net Profit/(Loss)	1068.41	1314.14
Appropriations		
Amount transferred to Reserve Funds u/s 45-1C of the RBI Act,1934	(213.68)	(262.83)
Proposed Dividend @ Rs.1.50 per share (i.e. 15%) & Corporate Tax there on	(338.70)	(449.57)
Transferred to General Reserves A/c	(53.42)	(98.56)
Net Profit after appropriations	462.61	503.18
Losses B/F from Previous Year	(3208.45)	(3711.63)
Total	(2745.84)	(3208.45)
Adjustments of General Reserves as per Contra	2577.87	2524.45
Losses carried forward to Balance Sheet	(167.97)	(684.00)

OPERATIONS

As earlier reported the Net Worth of the company has become positive. Further, the accumulated losses after its adjustments to General Reserves are Rs. 167.97 lacs. as against Rs. 684 lacs in the previous year.

During the year, the company made an investment by entering into an agreement for the execution of an Under Construction Commercial Project at Shalimar Bagh, (Shalimar Place), Delhi. On the completion of the said project the same can be used for establishing its own offices, renting of the property or sale to third parties to earn revenue from the same. The company with a view to acquire and complete the project has availed a Term Loan Facility from Kotak Mahindra Bank Ltd which is secured against the equitable mortgage of one of the company properties and hypothecation of receivables including all present and future lease rentals and guarantee of two directors.

DIVIDEND

In view of future growth plans and to conserve the resources, your Directors have recommended the dividend of 15% i.e. Rs.1.50 per equity share of Rs.10/-each.

COMPANY'S CATEGORY

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

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 31st March,2011 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 31st March,2011 have been prepared on a Going Concern Basis.

AUDITOR'S REPORT**INFORMATION AND EXPLANATIONS/OBSERVATIONS IN THE AUDITORS' REPORT.****A. OBSERVATIONS IN THE MAIN AUDITORS' REPORT**

- a) Para2(i)

Shortfall in value of Long Term Investments

In regard to shortfall, management is of the view that these investments are in associate companies which are running satisfactorily on Going Concern basis, the diminution in value is not of permanent nature and as such no provision for the shortfall has been considered necessary.

- b) Para 2(ii)

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

The company is taking appropriate steps in this regard

Observations in Annexure referred in paragraph 1 of the Auditor's Report(CARO)

- c) Para(i)(a) & (b)

Quantitative details of assets on lease

The management carried out physical verification of assets on lease and few confirmations from lessees have since been received.

- d) **Schedule 15: Notes on Accounts**

(Note No. 8)

Where the balances debit/credit are appearing, the same in the ordinary course of business, are at least equal to the amount at which they are stated and as such, no further comments are required.

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

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 they became due for payment 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

In compliance of SEBI guidelines, Secretarial Audit is being carried out at the specified period. There were no adverse remarks in the Secretarial Audit Report and the Report submitted by Practising Company Secretary is annexed separately.

COMPLIANCE BY THE COMPANY

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.mgf ltd.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 INITIATIVE

In light of the above, those members, who desires to receive notice/documents including Annual Reports through e-mail, are requested to communicate their-email ID and changes thereto to the Company at their Registered Office or log on to <http://www.mgf ltd@hotmail.com> to register yourself. You can also download the registration form from Company's website <http://www.mgf ltd.com>

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, Shri Sharad Aggarwal and Shri 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 Explanatory Statement in 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(Particualars 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	-	Being a finance company, the same 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		Rs.17.13 lacs	Rs.19.23 lacs
b) Shares held by Non Resident Shareholders		190674	184131
No.of Shareholders		30	33

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 cooperation 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 : August 25, 2011

<p>(RAJIV GUPTA) CHAIRMAN & MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER</p>	<p>(ARTI GUPTA) JOINT MANAGING DIRECTOR</p>
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Annexure 'A' to the Directors Report**Corporate Governance 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:

SI No.	Name of Director	Status
1.	Sh. Rajiv Gupta	Chairman & Managing Director - Executive Director- CEO
2.	Mrs. Arti Gupta	Joint Managing Director - Executive 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

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. The 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 the Compliance Officer also, 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 1st April, 2010 to 31st March, 2011, the Board of Directors met eight times on the following dates:

S.No.	Date of Meeting	Board Strength	No.of Directors present
1.	13th May,2010	7	6
2.	10th June,2010	7	6
3.	29th July,2010	7	4
4.	13th August,2010	7	4
5.	19th August,2010	7	4
6.	11th November,2010	7	4
7.	14th February,2011	7	4
8.	28th March,2011	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 31 st March, 2011	No. of Memberships in all Committees of the Board as on 31 st March, 2011
1.	Sh.Rajiv Gupta	8	8	N.A.*	11	11
2.	Mrs.Arati Gupta	8	8	N.A.*	3	2
3.	Sh.Arun Mitter	8	6	Present	27	10
4.	Sh. Bharat Kumar	8	8	Present	2	3
5.	Sh. Sharad Aggarwal	8	3	N.A.*	11	5
6.	Sh. O.N. Aggarwal	8	3	N.A.*	5	-
7.	Sh. Abhiram Seth	8	3	Present	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 listed Public Limited companies has been considered.

2.3(c) Remuneration to Directors:

Sitting fees was paid to Non-Executive Directors only for attending Board Meetings and no meeting fee was paid for attending any Committee Meetings of the Company.

3. Committees of the Board:

Non-Executive Directors, including the Chairman, 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 Members	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 Committee reviews periodically the financial accounts, adequacy of internal control, compliance with accounting standards and other areas within its terms of reference are as under:-

- 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;
- iii) Ensuring compliance with regulatory guidelines.
- iv) Reviewing with the management the adequacy of Internal Control Systems
- v) To review the internal audit reports.

3.1(c) During the year, the Committee met on 13th May,2010, 12th August,2010, 18th August,2010, 10th November,2010 and 14th February,2011

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:

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

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 28th July, 2010, 15th October, 2010, 17th January, 2011 and 31st March, 2011. The attendance for the meetings is as under :-

Sl. No.	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	-
5.	Sh. Sharad Aggarwal	4	-
6.	Sh. Abhiram Seth	4	-

3.2(b) Details of Investors complaints received during the year ended

Sl. No.	Nature of complaints	Received	Resolved	Pending
1.	Non receipt of dividend warrant(s)	14	14	-
2.	Non receipt of share certificates after transfer/exchange/sub-division/consolidation/merger	16	16	-
3.	Non receipt of Balance Sheet	4	4	-
	Total	34	34	-

3.2(c) Number of complaints pending with the Company:

All the shareholder's requests/complaints received during the financial year ended 31st March, 2011 by the company and/or their registrars 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 31st March, 2011.

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:

- 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.
- 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

Sl. 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 31st March, 2011, the Remuneration Committee met once on 28th March, 2011.

3.3(g) Remuneration Paid During the year

During the year ended 31st March 2011, 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.18,03,242/-, Rs.9,82,112/- and Rs.12,79,127/- respectively. Total Sitting Fee paid to the Directors for attending Board Meetings was Rs.85,000/-. No sitting fee for attending any Committee Meeting was paid.

4. Management:**4.1 Management Discussion and Analysis:**

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 31st March, 2011 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/EGM:

Last three Annual General Meetings were held at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 and Extra Ordinary General Meeting was held at Pearey Lal Bhawan, Bahadur Shah Zafar Marg, New Delhi on the following dates and times:-

AGM. No.	Year	Date	Time	Special Resolution required for
78 th	2008	29 th August,2008	12.15 P.M.	Re-appointment of Chairman & Managing Director and Executive Director and Appointment of Joint Managing Director and increase in the Board's Meeting Fee to the Non Executive Director.
EGM	2008	18 th October,2008	11.30 A.M.	Convening of meeting in pursuance to the order of Hon'ble High Court of Delhi under Section 391 to 394 of the Companies Act,1956 in the matter of amalgamation of NAP Sales (P) Ltd & Janata Cinemas Properties & Finance Ltd with The Motor & General Finance Ltd
79 th	2009	17 th September,2009	11.30 A.M.	Re-appointment of Directors related to each other and amendment in Meeting Fee to Non Executive Directors
80 th	2010	29 th September,2010	12.30 P.M.	Re-appointment of Directors and increase/variation in the remuneration of Smt. Arti Gupta, Joint Managing Director

5(a) Resolutions passed last year through Postal Ballot

During the year 2010-11, the company had conducted voting through Postal Ballot on 28th March,2011. The company complied with the procedure for the Postal Ballot in terms of the Companies(Passing of Resolution by Potal Ballot) Rules,2001 and the amendments thereto. The following resolutions were passed through Postal Ballot as per details of voting pattern given hereunder:-

Re-appointment of Chairman & Managing Director/Joint Managing Director and Whole time Directors u/s 198, 269, 309, 310 and 314 and also to authorize the Board to make loans/investments and to give guarantee under Section 372A of the Companies Act,1956

Particulars	Resolution
Total Postal Ballots Received	193
Less: Invalid Postal Ballots	9
Valid Postal Ballots	184
Total valid Votes Polled(Share of Rs.10/- each)	11286479
Votes in favour of the Resolutions(Shares of Rs.10/-each)	11280624
Votes against the Resolution(Shares of Rs.10/-each)	1760
Percentage of votes in favour to total valid Votes Polled	99.95%

6. Shareholder Information :

6.1 Annual General Meeting	:	81 st Annual General Meeting
Day & Date	:	Thursday, the 29 th September,2011
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 30th June,2011	Second week of August, 2011
Financial reporting for the quarter ended 30th September, 2011	Second week of November, 2011
Financial reporting for the quarter ended 31st December, 2011	Second week of February, 2012
Financial reporting for the quarter ended 31st March, 2012	Second Week of May, 2012

6.3 Means of Communication:

- Quarterly/Half Yearly Financial Results of the company are forwarded to Bombay and National Stock Exchanges 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** : **29th September, 2011**
(ii) **Date of Book Closure** : **Monday, the 26th September, 2011 to Thursday, the 29th September, 2011**
(Both days inclusive)

6.5 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/querie

6.6(a) Compliance Officer:

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

6.6(b) Company Secretary:

Mr. M.K.Madan
Vice President & Company Secretary

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) The Stock Exchange , Mumbai**

Electronic Mode : INE 861B01015
 Scrip Name: The Motor & General Finance Ltd.

Scrip Code: 501343**6.8(b) The Stock Exchange, 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)**

Month & Year	(BSE)		(NSE)	
	High	Low	High	Low
April,2010	49.00	41.60	49.40	41.60
May,2010	44.50	36.50	46.00	36.50
June,2010	43.80	37.20	45.00	37.20
July,2010	44.00	39.50	44.00	39.50
Aug, 2010	53.20	39.00	53.50	39.00
Sep,2010	66.50	43.25	66.00	43.25
Oct,2010	58.80	47.25	59.80	47.25
Nov,2010	52.80	43.30	52.90	43.30
Dec,2010	51.90	42.15	53.90	42.15
Jan,2011	49.60	42.35	53.90	42.35
Feb,2011	48.85	40.20	47.90	40.20
Mar,2011	46.80	39.20	45.00	39.20

6.11 Categories of Shareholding as on 31st March, 2011

S.No	Category	No.of Shares held	% of Shareholding
A	Promoters *	11518316	59.484%
B	Non Promoter Holding		
	Mutual Funds and UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non Government Institutions)	94547	0.488%
C	Others		
	Private Corporate Bodies	649660	3.355%
	Indian Public	5817667	30.045 %
	NRIs/OCBs/FIIs/Trust/Custodian	1283405	6.628%
	Total	19363595	100.00%

* includes persons acting in concert.

6.12 Distribution of Company's Shareholding as on 31st March 2011 :

Category	Shareholders			No. of Shares(Rs. 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	5889	5667	11556	1239298	2019709	3259007	6.400%	10.430%	16.830%
5001 - 10000	33	72	105	217032	552663	769695	1.121%	2.854%	3.975%
10001 - 20000	10	29	39	141450	395124	536574	0.730%	2.041%	2.771%
20001 - 30000	2	3	5	49066	63613	112679	0.253%	0.328%	0.581%
30001 - 40000	0	6	6	0	221070	221070	0.000%	1.142%	1.142%
40001 - 50000	1	3	4	43431	132403	175834	0.224%	0.684%	0.908%
50001 - 100000	3	14	17	212557	1144191	1356748	1.098%	5.909%	7.007%
100001 & above	2	25	27	656381	12275607	12931988	3.391%	63.395%	66.786%
Total	5940	5819	11759	2559215	16804380	19363595	13.217%	86.783%	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 : August 25, 2011

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 31st March,2011 as stipulated 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 Reg. No.000050N

S.K. KHATTAR
Partner
Membership No.84993

Place: New Delhi
Date : August 25, 2011

ANNEXURE 'B' TO THE DIRECTOR'S REPORT**MANAGEMENT'S DISCUSSION AND ANALYSIS:****NBFC- INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS**

The business of the Company is that of a Non Banking Finance Company(NBFC).

Non- Banking Finance Companies play a significant role in the economy by providing lease, hire-purchase finance as well as undertaking other lending and investments activities. NBFCs cater to the "Unbanked" segment of the society both in urban and rural areas. NBFCs play a complementary and supplementary role to banks in retail lending and NBFCs are key players in promoting financial Inclusion. Our company is categorized as Non Accepting Deposits Non Banking Finance Company.

The company has entered into an Agreement for the execution of an Under Construction Commercial Project at Shalimar Bagh, (Shalimar Place) Delhi, which on its completion may be used for establishing its own offices, renting of the property or sale to third parties to earn revenue from the same.

OPPORTUNITIES & THREATS, RISKS & CONCERNS, PERFORMANCE AND OUTLOOK**FINANCIAL**

The financial performance of the Company are given as under:-

	Year ended 31-3-2011	Rs. in lacs Year ended 31-3-2010
Gross Profit before Depreciation, Interest and Provisioning	1273.81	1246.62
Less: Interest	(3.14)	(10.09)
Add: Provisions against Doubtful/Irrecoverable		
Assets/Loss in value of Investments written Back	146.10	372.03
Less: Depreciation including Impairment	(76.86)	(46.63)
Less: Property Reserve	(39.50)	(42.79)
Provision for Tax	(232.00)	(205.00)
Net Profit/(Loss)	1068.41	1314.14
Appropriations		
Amount transferred to Reserve Funds u/s 45-1C of the RBI Act,1934	(213.68)	(262.83)
Proposed Dividend @ Rs.1.50 per share (i.e. 15%) & Corporate Tax there on	(338.70)	(449.57)
Transferred to General Reserves A/c	(53.42)	(98.56)
Net Profit after appropriations	462.61	503.18
Losses B/F from Previous Year	(3208.45)	(3711.63)
Total	(2745.84)	(3208.45)
Adjustments of General Reserves as per Contra	2577.87	2524.45
Losses carried forward to Balance Sheet	(167.97)	(684.00)

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 properly 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 properly 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 31st March, 2011 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 31st March, 2011 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 : August 25,2011

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31,2011.

For THE MOTOR & GENERAL FINANCE LTD

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

Place: New Delhi

Date: August 25,2011

SECRETARIAL AUDIT REPORT

The Board of Directors
 The Motor & General Finance Limited
 MGF House, 4/17-B
 Asaf Ali Road,
 New Delhi-110002

I had undertaken Secretarial Audit of **M/s THE MOTOR & GENERAL FINANCE LIMITED** having Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi for the financial year ended 31st March, 2011. The report is being submitted on the basis of examination of registers, records and documents produced before me and according to the information and explanation given by the company. The registers and records are being maintained under the provisions of:

- The Companies Act, 1956, Rules and the Amendments made under the Act from time to time;
- The Depositories Act 1996, Regulations and the Byelaws framed under the Act;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) namely;
 - o The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 - o The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under the Act; and;
- The Listing Agreement with Bombay Stock Exchange Limited & National Stock Exchange of India Limited;
- Memorandum and Articles of Association of the Company,
- a. Maintenance of statutory registers and documents and making in them necessary entries;

Statutory Register

Statutory Register	Remarks
• Section 143 Register of charges	Maintained
• Section 150 Register of Member and Index thereof	Maintained
• Section 163 file regarding copies of Annual Return	Maintained
• Section 193 minutes of Board, General and Committee Meetings	Maintained
• Section 209 books of accounts.	Maintained
• Section 301 Register of contracts in which directors are interested	Maintained
• Section 303 Register of Directors	Maintained
• Section 307 Register of Directors Shareholding	Maintained
• Section 372A Register of Loans, Investments and Guarantees/Securities provided.	Maintained
b. Register of Member is closed as per the Statutory Compliances;	
c. The Company conducted its 80th Annual General Meeting on 29th September, 2010	
d. Notices of Board Meeting and Committee Meetings are circulated mentioning therein place, day, hour of the meeting and the business to be transacted there at;	
e. All forms, returns, documents and resolution required to be filed with the Registrar of Companies are duly filed;	
f. Service of all Documents by the Company on its Members and Registrar of Companies is in time ;	
g. Remuneration and terms of appointment of Manager is in compliance with Schedule XIII of Companies Act, 1956	
h. Appointment and remuneration of Auditors;	
i. Minutes of proceedings of Annual General Meeting, Board Meetings and minutes of committee meetings are duly maintained.	

- j. Transfer, Transmission, delivery of original and duplicate certificates of shares are duly undertaken in stipulated period of time;
 - k. Constitution of the Board of Directors, its appointment, retirement and reappointment is in compliance with the Listing Agreement.
 - l. There are no unpaid/unclaimed amounts which are required to be transferred under the Act to the Investors Education and Protection Fund;
 - m. All borrowings are duly noted in the Statutory Registers.
 - n. The contracts entered into and on behalf of the company are duly undertaken under the Common Seal of the Company;
 - o. Balance Sheet and Profit & Loss Account are prepared in compliance with the Part I and Part II of Schedule VI of the Act;
 - p. All Investments of Company's funds are duly accorded under the approval of the board;
2. I do hereby further report that:
- (a) The Directors of the Company have obtained Directors Identification Number (DIN No.) as per Section 266A of the Act.
 - (b) The Directors have complied with the requirements as to disclosure of interest and concerns in contracts and arrangements, shareholdings and directorship in other companies and interest in other entities.
 - (c) 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.
 - (d) The Company has obtained all necessary approvals from the statutory bodies required from time to time under the Act.
 - (e) 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.
3. I further report that the Company has complied with the provisions of the Depositories Act 1996, Regulations and the Byelaws framed there under with regard to dematerialization / re-materialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further report that the Company has complied with:
- (a) The requirements under the Listing Agreement entered into with Bombay Stock Exchange Limited & National Stock Exchange of India Limited.
 - (b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosure and maintenance of record required under the regulations.
 - (c) 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.

Place: New Delhi
Date: August 09, 2011

Anjali Yadav
(Company Secretary)
ACS No. 7257

AUDITORS' REPORT

To the Members of

THE MOTOR & GENERAL FINANCE LIMITED

We have audited the attached Balance Sheet of The Motor & General Finance Limited as at March 31, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards, generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5, of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - i) *Provision of Rs.382.24 Lacs has not been made for diminution in the value of long term permanent investments. (Refer Note No.3).*
 - ii) *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 Companies where these are exceeding the limits. (Refer Note No.2(a))*
3. We further report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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.
 - c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to our comments in our paragraphs 2 (i) above.
 - e) On the basis of written representations received from the Directors, as at March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2011 from being appointed as a Director under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

We further report that, without considering the observation made in paragraph 2 (ii) above the effect of which could not be determined, had the observation made by us in paragraph 2 (i) above been considered, the profits for the year would have been Rs.686.17 Lacs (as against the reported figure of Rs.1068.41 Lacs) and the carry forward loss would have been Rs. 3128.08 Lacs (as against the reported figure of Rs.2745.84 Lacs).

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes on Accounts give the information required by the Companies Act, 1956, 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, 2011;
- b. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **S. N. Dhawan & Co.**,
Chartered Accountants
Firm Reg. No.000050N

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

Place : New Delhi
Date : August 25, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON ACCOUNTS OF THE MOTOR & GENERAL FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2011

- 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. In our opinion having regard to the size of the Company and the nature of its business and the level of activities undertaken presently and, keeping in view the type of assets involved, the frequency of verification is reasonable. 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 three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1456.37 Lacs and the year-end balance of loan given to such party was Rs.1394.87 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, the Inter Corporate Deposits are repayable on demand. The repayment of interest is regular.
- (d) The Company has taken Inter Corporate Deposits from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1100 Lacs and the year-end balance of loans taken from such parties was Rs. 85 Lacs.
- (e) In our opinion, the rate of interest and other terms and conditions on which loans 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.
- (f) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (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.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (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, 2011 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	Transfer of Rights to use (1970-71 to 1995-96)	4.24	Before U. P. Tribunal, Deputy Commissioner and Assistant Commissioner
Electricity Act	Electricity charges (1993-94 & 2004)	69.24	BSES Yamuna Power Ltd.

- 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
Firm Reg. No.000050N

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

Place : New Delhi
Dated : August 25, 2011

BALANCE SHEET AS AT 31.03.2011

	Schedule	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	193,635,950	193,635,950
Reserves and Surplus	2	542,105,937	521,187,924
		<u>735,741,887</u>	<u>714,823,874</u>
Loan Funds			
Secured Loans	3	492,300,000	6,257,982
Unsecured Loans		8,520,989	-
		<u>500,820,989</u>	<u>6,257,982</u>
TOTAL		<u>1,236,562,876</u>	<u>721,081,856</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block			
Assets relating to Leasing Business		101,102,551	101,102,551
Other Assets	4	452,668,296	420,560,408
		<u>553,770,847</u>	<u>521,662,959</u>
Less: Depreciation including Impairment		250,704,696	242,123,148
		<u>303,066,151</u>	<u>279,539,811</u>
Less: Accumulated Lease Adjustments		8,437,230	8,483,618
Net Block		<u>294,628,921</u>	<u>271,056,193</u>
Investments	5	<u>972,445,207</u>	<u>414,724,517</u>
Current Assets, Loans & Advances			
Sundry Debtors	6	4,963,263	13,391,545
Cash & Bank Balances		8,121,386	24,000,229
Loans & Advances		152,079,602	147,239,312
		<u>165,164,251</u>	<u>184,631,086</u>
Less: Current Liabilities & Provisions			
Current Liabilities	7	154,772,955	138,927,192
Provisions		57,699,593	79,441,536
		<u>212,472,548</u>	<u>218,368,728</u>
Net Current Assets		<u>(47,308,297)</u>	<u>(33,737,642)</u>
Miscellaneous Expenditure	8	-	638,479
(To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT		274,584,151	320,845,369
Less: General Reserves (As per contra)		<u>257,787,106</u>	<u>252,445,060</u>
TOTAL		<u>1,236,562,876</u>	<u>721,081,856</u>
Significant Accounting Policies	14		
Notes on Accounts	15		

The Schedules referred to above form an integral part of the Accounts.

As per our report of even date attached
For **S.N.Dhawan & Co.**
Chartered Accountants
FRN - 000050N

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer

ARTI GUPTA
Joint Managing Director

BHARAT KUMAR
Director

ARUN MITTER
Executive Director

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

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

Place: New Delhi
Dated: August 25, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	Schedule	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
INCOME			
Income From Operations	9	128,401,371	126,716,167
Other Income	10	90,434,914	130,631,396
TOTAL		218,836,285	257,347,563
EXPENDITURE			
Interest	11	313,909	1,008,960
Administrative Expenses	12	78,471,073	101,279,022
Other Expenses	13	13,030,988	31,504,187
Lease Equalisation Charges		(46,388)	(97,992)
TOTAL		91,769,582	133,694,177
GROSS PROFIT BEFORE DEPRECIATION, PROVISIONS FOR TAXATION & OTHER PROVISIONS			
		127,066,703	123,653,386
Depreciation including Impairment		8,958,727	6,076,939
Less: Transferred from Revaluation Reserve		(1,272,861)	(1,414,290)
Property Reserve		(3,950,404)	(4,279,269)
Provision for Tax		(23,200,000)	(20,500,000)
Excess Provisions against Doubtful/Irrecoverable Assets/Loss in value of Investments written back		14,610,485	37,202,544
NET PROFIT/(LOSS) BEFORE APPROPRIATIONS		106,840,918	131,414,012
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		(21,368,184)	(26,282,802)
Transfer to General Reserves		(5,342,046)	(9,856,051)
Proposed Dividend		(29,045,393)	(38,727,190)
Corporate Dividend Tax		(4,824,077)	(6,230,237)
Balance brought forward from Previous Year		(320,845,369)	(371,163,101)
Balance carried to Balance Sheet		(274,584,151)	(320,845,369)
Earnings Per Share Basic/Diluted (Refer to Note No. 12 Schedule 15)		5.52	6.79
(Rs. per Equity Share of Rs. 10/- each)			
Significant Accounting Policies	14		
Notes on Accounts	15		
The Schedules referred to above form an integral part of the Accounts.			

As per our report of even date attached
For **S.N.Dhawan & Co.**
Chartered Accountants
FRN - 000050N

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer

ARTI GUPTA
Joint Managing Director

BHARAT KUMAR
Director

ARUN MITTER
Executive Director

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

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

Place: New Delhi
Dated: August 25, 2011

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)			
SCHEDULE - 1 : SHARE CAPITAL					
AUTHORISED					
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs.10/- each	500,000,000	500,000,000			
Issued, Subscribed and Fully Paid Up					
19,363,595 (Previous Year 19,363,595) Equity Shares of Rs.10/- each (Of the above 4,201,552 (Previous Year 4,201,552) Shares of Rs.10/- each allotted as fully paid to shareholders of erstwhile Nationale Air Products Ltd, Goodwill India Limited, MGF (India) Limited, NAP Sales Pvt. Ltd and Janata Cinemas Properties & Finance Ltd. on amalgamation, and 9,270,000 Equity Shares of Rs.10/- each allotted as Bonus Shares by capitalisation of Share Premium Account Rs.154,849/-, Capital Redemption Account Rs.1,241,050/- and General Reserve Rs.91,304,101. Besides 756,457 Shares of Rs.10/- each held as investments by erstwhile MGF (India) Limited and Goodwill (India) Limited in the Company were extinguished and cancelled pursuant to the Scheme of Amalgamation).	193,635,950	193,635,950			
SCHEDULE - 2 : RESERVES AND SURPLUS					
	As at 31.03.2010 (Rs)	Additions during the year (Rs)	Deductions during the year (Rs)	As at 31.03.2011 (Rs)	As at 31.03.2010 (Rs)
Capital Reserve	610,050	-	-	610,050	610,050
Share Premium	88,840,900	-	-	88,840,900	88,840,900
Statutory Reserve	119,415,543	21,368,184	-	140,783,727	119,415,543
Revaluation Reserve	266,530,857	-	1,272,861*	265,257,996	266,530,857
Property Reserve	45,790,574	3,950,404**	3,127,714	46,613,264	45,790,574
General Reserve	252,445,060	5,342,046****	257,787,106***	-	-
TOTAL	773,632,984	30,660,634	262,187,681	542,105,937	521,187,924

* Transferred to Profit & Loss Account :

** Transferred from Profit & Loss Account :

*** Deducted from Debit Balance of Profit & Loss Account (As per contra)

**** Transferred from Profit & Loss Account

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE -3 : LOAN FUNDS		
SECURED LOANS*		
From Banks		
Term Loan \$	492,300,000	-
From Others		
From Life Insurance Corporation of India @	-	3,360,000
Interest Accrued and due on above	-	2,897,982
	492,300,000	6,257,982
* Due within a year Rs 132 lacs (Previous Year Rs. 62.58 Lacs)		
UNSECURED LOANS **		
Inter Corporate Deposits	8,500,000	-
Interest Accrued and due thereon	20,989	-
	8,520,989	-

** Due within a year **Rs. 85.21 Lacs** (Previous Year Rs.Nil)

Notes:-

\$ Term Loan from Kotak Mahindra Bank is secured by way of equitable mortgage of one of Company's properties, hypothecation of receivables including all present and future lease rentals and personal guarantee of two Directors.

@ Loan from Life Insurance Corporation of India is secured against Keyman Insurance Policy.

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

SCHEDULE-4: FIXED ASSETS (In Rupees)											
PARTICULARS	GROSSBLOCK			DEPRECIATION				NET BLOCK			
	As at 01.04.2010	Additions during the year	Deductions	As at 31.03.2011	Up to 01.04.2010	Additions	Impairment	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
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	503,500	26,499	-	-	529,999	1	26,500
Vehicles	1,122,629	-	-	1,122,629	1,076,239	46,388	-	-	1,122,627	2	46,390
Commercial Vehicles	21,984,214	-	-	21,984,214	21,984,212	16,049	-	-	21,984,212	2	2
Thermax Boilers	321,000	-	-	321,000	304,950	-	-	-	320,999	1	16,050
Total	101,102,551	-	-	101,102,551	101,013,589	88,936	-	-	101,102,525	26	88,962
Other Fixed Assets											
Land *											
Freehold	131,205,451	-	-	131,205,451	-	-	-	-	-	131,205,451	131,205,451
Leasehold	111,666,023	-	-	111,666,023	-	-	-	-	-	111,666,023	111,666,023
Land & Buildings											
Freehold	54,761,916	-	480,000	54,281,916	39,111,812	1,560,178	-	377,179	40,294,811	13,987,105	15,650,104
Leasehold	36,000,000	-	-	36,000,000	27,095,269	890,473	-	-	27,985,742	8,014,258	8,904,731
Plant and Machinery	107,223	-	-	107,223	104,673	383	-	-	105,056	2,167	2,550
Vehicles	19,314,154	32,012,588	-	51,326,742	16,862,467	4,816,142	-	-	21,678,609	29,648,133	2,451,687
Furniture & Fixtures	10,644,078	-	-	10,644,078	9,183,964	264,272	-	-	9,448,236	1,195,842	1,460,114
Office Machines	12,639,081	57,700	-	12,696,781	12,189,646	72,443	-	-	12,262,089	434,692	449,435
Computer	2,215,913	15,000	-	2,230,913	2,037,676	114,487	-	-	2,152,163	78,750	178,237
Electric Fittings, Equipment & Fans etc.	22,409,299	337,500	-	22,746,799	16,513,169	893,711	-	-	17,406,880	5,339,919	5,896,130
Lifts	3,891,729	-	-	3,891,729	3,672,195	32,957	-	-	3,705,152	186,577	219,534
Gas Cylinders	230,000	-	-	230,000	229,885	-	-	-	229,885	115	115
Air Conditioners & Coolers	15,475,541	165,100	-	15,640,641	14,108,803	224,745	-	-	14,333,548	1,307,093	1,366,738
Total	420,560,408	32,587,888	480,000	452,668,296	141,109,559	8,869,791	-	377,179	149,602,171	303,066,125	279,450,849
Grand Total	521,662,959	32,587,888	480,000	553,770,847	242,123,148	8,958,727	-	377,179	250,704,696	303,066,151	279,539,811
Previous year	538,219,063	7,279,245	23,835,349	521,662,959	246,739,841	5,864,939	212,000	10,693,632	242,123,148	279,539,811	-

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

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

SCHEDULE - 5 : INVESTMENTS

PARTICULARS	FACE VALUE (Rs.)	(Nos) 31.03.2010	VALUE				
			(Nos) Additions	(Nos) Deductions	(Nos) 31.03.2011	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
A. LONG TERM INVESTMENTS							
NON TRADE							
1. EQUITY SHARES FULLY PAID UP							
QUOTED							
Jayabharat Credit Limited *	10	2,172,300	-	-	2,172,300	29,316,380	29,316,380
India Lease Development Limited *	10	3,273,840	-	-	3,273,840	52,384,851	52,384,851
						<u>81,701,231</u>	<u>81,701,231</u>
UNQUOTED							
MGF Services Limited* \$	10	890,000	-	-	890,000	8,804,500	8,804,500
						<u>8,804,500</u>	<u>8,804,500</u>
* Companies under the Same Management							
\$ Amalgamated with India Lease Development Limited w.e.f April 29, 2011							
2. SHARES IN COOPERATIVE SOCIETIES							
Atlanta Premises Cooperative Society Ltd. 50		10	-	-	10	500	500
						<u>500</u>	<u>500</u>
3. DEBENTURES (UNQUOTED)							
Structured Opportunities -NDPMS							
Kotak Securities Limited Series-KS16	1,000,000	15	-	15	-	-	15,300,000
Barclays Investments & Loans (India) Limited	1,000,000	10	-	10	-	-	10,200,000
Barclays Investments & Loans (India) Limited- Series 90	1,000,000	10	-	10	-	-	10,050,000
Barclays Investments & Loans (India) Limited- Series 97	1,000,000	10	-	10	-	-	10,050,000
Barclays Investments & Loans (India) Limited- Series 125	1,000,000	10	-	-	10	10,050,000	10,050,000
Barclays Investments & Loans (India) Limited- Series 210	1,000,000	-	8	-	8	8,040,000	-
Barclays Investments & Loans (India) Limited- Series 194	4,000,000	-	6	-	6	24,001,000	-
						<u>42,091,000</u>	<u>55,650,000</u>
B. CURRENT INVESTMENTS							
NON TRADE							
1. EQUITY SHARES FULLY PAID UP							
QUOTED							
Metal Box India Limited	10	1,200	-	-	1,200	17,100	17,100
Rajasthan Breweries Ltd	10	4,700	-	-	4,700	140,836	140,836
Sri Ramakrishna Mills(CBE) Limited	10	15,000	-	-	15,000	450,641	450,641
Kongarar Textiles Limited	10	10,000	-	-	10,000	450,000	450,000
Vijay Kumar Mills Limited	10	50,000	-	-	50,000	4,000,000	4,000,000
MTZ (India) Limited	10	10,000	-	-	10,000	500,000	500,000
Mawana Sugars Limited	10	450	-	-	450	9,000	9,000
						<u>5,567,577</u>	<u>5,567,577</u>

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

PARTICULARS	FACE VALUE (Rs.)	(Nos) 31.03.2010	(Nos) Additions	(Nos) Deductions	(Nos) 31.03.2011	VALUE	
						As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
UNQUOTED							
Fairgrowth Investments Limited	10	100,000	-	-	100,000	1,000,000	1,000,000
Vijaya Home Loans Limited	10	40,000	-	-	40,000	400,000	400,000
						1,400,000	1,400,000
Mutual Funds (Quoted)							
BNP Paribas Fixed Term Fundser 19C Dividend On Maturity	10	-	500,000.00	500,000.00	-	-	-
HDFC Cash Management Fund-Savings Plan-Weekly Dividend	10	-	754,451.14	754,451.14	-	-	-
IDFC - Fmp - Quarterly Series 61 - Dividend	10	-	1,553,946.71	1,553,946.71	-	-	-
IDFC Money Manager Fund-Investment Plan A - Weekly Dividend Plan	10	-	1,522,264.97	1,522,264.97	-	-	-
IDFC Money Manager Fund-Investment Plan B - Weekly Dividend Plan	10	-	1,024,147.72	1,024,147.72	-	-	-
IDFC Savings Advantage Fund- Plan A - Weekly Dividend Plan	1000	-	17,931.90	17,931.90	-	-	-
IDFC Ultra Short Term Fund Weekly Dividend	10	-	797,793.72	499,201.28	298592.44	2,985,382	-
Kotak Flexi Debt Scheme - Weekly Dividend - Reinvestment	10	45485.75	1,258.19	46,743.94	-	-	456,599
Kotak Flexi Debt Scheme - Weekly Dividend - Reinvestment	10	-	2,005,826.09	2,005,826.09	-	-	-
Kotak Floater Long Term - Growth	10	-	329,144.42	329,144.42	-	-	-
Kotak Fmp 19M Series 2 - Growth	10	257500.00	0.00	0.00	257500.00	2,575,000	2,575,000
Kotak Liquid (Regular) - Weekly Dividend - Reinvestment	10	-	2,490,918.14	249,0918.14	-	-	-
Morgan Stanley Growth Fund	10	100000.00	0.00	100,000.00	-	-	1,716,025
Reliance Monthly Income Plan-Monthly Dividend Plan	10	451230.96	0.00	451,230.96	-	-	5,000,000
Religare Active Income Fund Regular -Monthly Dividend	10	-	1,036,454.19		1036454.19	10,650,677	-
Religare Credit Opportunities Fund - Regular Monthly Dividend	10	-	1,032,752.08	1,032,752.08	-	-	-
Religare Fixed Maturity Plan-Series-iv Plan A (3 Month)- Dividend	10	-	2,000,000.00	200,0000.00	-	-	-
Religare Liquid Fund - Regular Weekly Dividend	10	766248.57	21,346.09	787,594.66	-	-	7,667,269
Religare Medium Term Bond Fund-Monthly Dividend	10	-	1,113,775.21	0.00	1113775.21	11,138,021	-
Religare Monthly Income Plan Plus-Dividend-Reinvestment	10	-	982,818.62	0.00	982818.62	10,119,714	-
Religare Ultra Short Term Fund - Institutional Weekly Dividend	10	-	2,003,392.31	2,003,392.31	-	-	-
Religare Ultra Short Term Fund - Institutional Weekly Dividend	1000	-	20,161.76	6,287.29	13874.48	13,910,017	-

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

PARTICULARS	FACE VALUE (Rs.)	(Nos) 31.03.2010	(Nos) Additions	(Nos) Deductions	(Nos) 31.03.2011	VALUE	
						As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
Religare Ultra Short Term Fund - Regular Weekly Dividend	10	-	8,819,914.21	8,819,914.21	-	-	-
Religare Ultra Short Term Fund - Regular Weekly Dividend	1000	-	5,803.34	4,985.05	818.29	817,014	-
Tata Floater Fund - Weekly Dividend	10	1,015,705.17	12,239.78	1,027,944.95	-	-	10,240,011
						<u>52,195,825</u>	<u>27,654,905</u>
C. OTHERS							
1. INVESTMENT IN IMMOVABLE PROPERTIES							
Building on Leasehold Land						191,696,057	191,696,057
Building on Freehold Land						25,761,193	34,224,747
Commercial Complex Under Construction						555,202,324	-
						<u>772,659,574</u>	<u>225,920,804</u>
D. INVESTMENT IN ART PAINTINGS						8,025,000	8,025,000
						<u>972,445,207</u>	<u>414,724,517</u>
							(Rs.in lacs)
NOTES:						Cost	Market Value
1. Aggregate value of Quoted Long Term Investments						817.01	434.77
						(817.01)	(487.47)
2. Aggregate value of Quoted Current Investments						55.68	3.37
						(55.68)	(3.51)
3. Aggregate value of Mutual Fund Shares (NAV)						521.96	524.98
						(276.55)	(320.18)
4. Aggregate value of Unquoted Investments						102.05	-
						(102.05)	(-)
5. Aggregate value of Unquoted Debentures						420.91	410.37
						(556.50)	(579.11)

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

	As at 31.3.2011 (Rs.)	As at 31.3.2010 (Rs.)
SCHEDULE -6 : CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(I) Sundry Debtors		
i) Lease Rentals :		
Considered Doubtful	3,920,798	11,861,354
ii) Others Considered good		
Other Debts	90,000	105,371
iii) Hire Purchase Business :		
(Secured by Vehicles under Hire Purchase Agreements)		
Instalments receivable from Hirers:		
Outstanding for over six months		
Considered Doubtful	952,465	1,424,820
	4,963,263	13,391,545
(II) Cash & Bank Balances		
Cash in Hand and Stamps	68,329	76,622
Cheques in Hand	466,115	3,124,230
With Scheduled Banks in:		
Current Accounts (a)	6,383,287	19,642,512
Fixed Deposits (b)	1,175,049	1,126,858
Interest Accrued thereon	27,596	28,997
Saving Bank A/c with Post Office	1,010	1,010
(Pledged with Excise Department)		
	8,121,386	24,000,229
(B) LOANS & ADVANCES		
ADVANCES		
(Unsecured-Considered Good unless otherwise stated)		
Intercompany Deposits (c)	140,075,000	113,050,000
Interest Accrued & Due on above (c)	2,249,552	4,319,895
Advances recoverable in cash or in kind or for value to be received		
Considered Good	8,498,770	15,015,010
Considered Doubtful	1,256,280	13,030,988
Advance Tax/Tax Deducted at Source	-	1,823,419
(net of provisions)	152,079,602	147,239,312
NOTES:		
a) Include Rs.24.38 lacs (Previous year Rs. 10.41 lacs) earmarked against unclaimed dividend.		
b) Include Rs.4.24 lacs (Previous year Rs. 4.27 lacs) lodged as margin for issuing Bank Guarantees to Government Authorities.		
c) Rs.1394.87 lacs (Previous year Rs. 1145.56 lacs) due from companies under the same management and/or from companies in which Directors are interested:		
		(Rs. in lacs)
Name of the Company	Balance as on 31.3.2011	Maximum Balance during the year
India Lease Development Limited	-	11.50
	(11.81)	(23.00)
Bahubali Services Limited	-	50.00
	(-)	(250.00)
Jayabharat Credit Limited	1,394.87	1,394.87
	(1,145.56)	(1,145.56)

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

	As at 31.3.2011 (Rs.)	As at 31.3.2010 (Rs.)
SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors (refer Note No. 15)	39,064,126	24,698,214
Other Liabilities	29,802,844	30,309,901
Advance Against Sale of Properties	5,100,000	-
Deposits and Sundry Advances from Hirers etc.	73,494,201	72,399,518
Bank Book Overdraft	840,609	10,478,993
Interest accrued but not due on Loans	4,033,263	-
<i>Liability towards Investors Education and Protection Fund*</i>		
Unclaimed Dividend	<u>2,437,912</u>	<u>1,040,566</u>
	154,772,955	138,927,192
*There are no amount due and outstanding to be credited to Investors Education and Protection Fund		
B) PROVISIONS		
Taxation(net)	393,579	-
Gratuity	10,047,494	6,516,416
Leave Encashment	1,033,795	1,001,953
Provision for NPAs as per RBI Norms	12,355,255	26,965,740
Proposed Dividend	29,045,393	38,727,190
Tax on Dividend	<u>4,824,077</u>	<u>6,230,237</u>
	57,699,593	79,441,536
SCHEDULE - 8 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Voluntary Retirement Expenses		
Opening Balance	638,479	1,053,959
Paid During the Year	<u>- 638,479</u>	<u>- 1,053,959</u>
Less: Written off during the year	<u>638,479</u>	<u>415,480</u>
	-	638,479

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

	Year Ended 31.3.2011 (Rs.)	Year Ended 31.3.2010 (Rs.)
SCHEDULE - 9 : INCOME FROM OPERATIONS		
Hire Purchase Charges	23,256	404,610
Lease Charges	9,372,407	7,335,264
(Tax Deducted at Source Rs.113,664 (Previous Year Rs.302,600))		
Bills Discounting Charges	675,000	325,000
(Tax Deducted at Source Rs.152,955 (Previous Year Rs.73,645))		
Rent from Investments in Immovable Properties (Gross)	118,330,708	118,651,293
(Tax Deducted at Source Rs.11,753,227 (Previous Year Rs.20,024,536))		
	<u>128,401,371</u>	<u>126,716,167</u>
SCHEDULE - 10 : OTHER INCOME		
Dividends from Non Trade Investments		
Current Investments	3,953,708	1,230,292
Interest Received (Gross) : *		
Fixed Deposits with Banks	80,710	70,230
Intercorporate Deposits	7,792,558	5,832,401
Insurance Claim	615,160	-
Others	-	1,625,625
Miscellaneous Income (Gross) *	16,145,200	3,101,232
Profit on Sale of Fixed Assets/Leased Assets (Net)	547,179	450,784
Profit on Sale /Redemption of Investments (Net)	60,736,899	113,470,293
Bad Debts realised	563,500	4,850,539
	<u>90,434,914</u>	<u>130,631,396</u>
NOTES:		
* Tax Deducted at Source		
Interest Received on Fixed Deposits with Banks	13,439	6,547
Interest Received on Insurance Claim	61,516	-
Interest Received on Intercorporate Deposits	779,256	672,565
Miscellaneous Income	108,945	71,323
SCHEDULE - 11 : INTEREST		
Inter Corporate Deposits	37,480	225,000
Banks and others	276,429	783,960
	<u>313,909</u>	<u>1,008,960</u>

SCHEDULES 1 TO 15 ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Continued)

	Year Ended 31.3.2011 (Rs.)	Year Ended 31.3.2010 (Rs.)
SCHEDULE - 12 : ADMINISTRATIVE EXPENSES		
Salaries, Wages, Allowances, Bonus	15,400,666	14,760,651
Compensation for VRS	638,479	415,480
Company's contribution to Provident Fund / Other Funds	1,305,526	1,245,192
Gratuity	3,531,078	717,588
Staff Welfare	1,985,620	2,096,908
Rent	287,600	215,916
Rates & Taxes and Ground Rent	10,654,287	37,919,271
Auditors Remuneration towards :		
Audit Fees	325,000	325,000
Tax Audit	75,000	75,000
Certification	75,000	75,000
Service Tax	48,925	48,925
Transport, Travelling and Motor Car Expenses	10,553,812	10,495,034
Brokerage, Commission and Service Charges	754,000	661,800
Donations	866,300	201,800
Insurance	538,540	460,131
Bank Charges	259,162	375,861
General Expenses	7,809,546	6,835,906
Electricity Expenses	4,175,447	4,269,911
Legal & Professional Charges	5,983,525	7,154,986
Postage, Telegram & Telephone Expenses	1,175,495	1,431,488
Repairs to Buildings	2,117,201	2,482,445
Repairs to Others	3,396,163	3,033,245
Sundry Expenses	6,514,701	5,981,484
	<u>78,471,073</u>	<u>101,279,022</u>
SCHEDULE - 13 : OTHER EXPENSES		
Amounts/ Bad Debts Written Off	13,030,988	31,504,187
	<u>13,030,988</u>	<u>31,504,187</u>

THE MOTOR & GENERAL FINANCE LIMITED**SCHEDULE- 14: SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Conventions**

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.

2. 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.

3. 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.

4. Inventories

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

5. 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.

6. 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 ands.
- 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.

7. 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.

8. 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 uncertainty 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.

9. 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, whichever is higher.
- b) Provident Fund contribution for all employees is charged to revenue each year.

10. 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 opt for the scheme. The unamortized amount to the extent not written off is disclosed as "Miscellaneous Expenditure."

11. 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.

12. Income Tax

The current tax under Indian Income tax relates to Minimum Alternate Tax (MAT) as per the provisions of Section 115JB.

13. 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.

14. 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.

SCHEDULE -15: NOTES ON ACCOUNTS**1. CONTINGENT LIABILITIES:****(Rs. in Lacs)**

	31.03.2011	31.03.2010
a) Guarantees given to Sales Tax and other Authorities, on behalf of the Company. (against pledge of Fixed Deposits)	4.24	4.27
b) Other disputed demands not acknowledged as debts:		
i) Electricity Charges	69.24	69.24

2. (a) 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.
- (b) The Company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non-Accepting Deposits Non Banking Finance Company.
- (c) 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 NBF1, 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.
3. 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 **Rs 817.01 Lacs** (Previous Year Rs. 817.01 Lacs) have been valued at cost and the temporary short fall of **Rs. 382.24 Lacs** (Previous Year Rs. 329.54 Lacs) has not been provided for.

4. Hire Purchase Business:**(Rs. in Lacs)**

	31.03.2011	31.03.2010
i) Amounts for which instalments are not due	NIL	NIL
ii) Amounts for which instalments are due but have not been received:		
a) More than six months	9.52	14.25

5. 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.

6. Current Taxation:-

- (a) Provision for Income Tax for the year has been made after considering reliefs available under the Income Tax Act, 1961.
- (b) Income Tax assessments up to the financial year 2007-2008 (Assessment Year 2008-2009) have been completed and there are no pending demands against the Company.

7. **Segment information :-** The Company's business activities predominantly relate to rental of immovable properties and also providing finance by way of Hire Purchase and Leasing Operations. Accordingly revenue from renting of immovable properties and financing activities comprises the primary basis of segmental reporting. Hence segmental reporting as defined in Accounting Standard - 17 is not applicable.

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

9. 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, Bahubali Services Limited, MGF Services Limited (amalgamated with India Lease Development Limited w.e.f. April 29, 2011).

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

MGF Developments Limited, MGF Motors Private Limited, Capital Vehicle Sales (P) Ltd, Kerala Cars Private Limited and Columbia Holding Private Limited.

iii) Key Management Personnel

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

b) Details of transactions entered into with related parties:

Particulars	(Rs. in Lacs)		
	Under Common Control	Enterprises over which Key Management Personnel is able to exercise influence	Key Management Personnel
ICD Received	110.00 (Nil)	-	-
ICD Paid	1124.75 (1134.50)	-	-
Interest Received on ICD	74.18 (53.03)	-	-
Interest paid on ICDs	0.37 (Nil)	-	-
Director's Remuneration	-	-	40.64 (40.77)
Services Charges paid	-	0.21 (Nil)	-
Rent Received	-	20.00 (32.00)	-
Property Sold	-	550.00 (Nil)	-
Fixed Asset purchased	-	309.98 (Nil)	-
Outstanding Balance as on 31-3-2011		-	-
-Dues receivable (including advances)	1394.87 (1145.56)	-	-
-Amount payable	85.21 (12.63)	5.61 (6.11)	-

11. 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 :-

(Rs. in Lacs)

	Gross Investment in Finance Lease	Unearned Financial Income	Present Value of Future Lease/Hire Purchase vehicles (3)=(1)-(2)
a) Lease 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	-	-	-
Less: Provision for Uncollectable/Receivables	-	-	-
Total	NIL	NIL	NIL
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	Property Reserve	Future lease rental (for a period of one year)
Land & Building	2174.57	39.50	1279.35
	(2259.21)	(42.79)	(1209.23)

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

Calculation of Basic / Diluted E.P.S.

a) Net Profit for the year attributed to Equity Shareholders	Rs. 106,840,918
b) Weighted Average Number of Equity shares	1,93,63,595
c) Basis Earnings per Share	Rs. 5.52
d) Diluted Earnings per Share	Rs. 5.52
e) Nominal Value per Share	Rs. 10/-

13. 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. in Lacs) Amount Overdue
a) Debentures: Secured Unsecured (Other than falling within the meaning of Public Deposits)	-	-
b) Deferred Credit	-	-
c) Term Loans/Working Capital	4923.00	-
d) Inter Corporate Loans and Borrowings	85.21	-
e) Commercial Paper	-	-
f) Public Deposits including accrued interest	-	-
g) Other Loans (specify nature)from LIC	-	-
(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	-	-
b) Unsecured (net of provisions)	1508.23	-
(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	-	-
ii) Stock on hire including lease rentals under Sundry Debtors:		
a) Assets on hire	9.52	-
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	3.37	
b) Preference	-	
ii) Debentures and Bonds	-	
iii) Units of Mutual Funds	521.46	
iv) Government Securities	-	
v) Others (Please specify)	-	

2. **Unquoted**

i) Shares: a) Equity	0.01
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	817.01
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Funds	-
iv) Government Securities	-
v) Others (Please specify)	-

2. **Unquoted**

i) Shares: a) Equity	88.05
b) Preference	-
ii) Debentures and Bonds	396.27
iii) Units of Mutual Funds	-
iv) Government Securities	-
v) Others (Please specify)	-

(6) **Borrower group-wise classification of all Leased Assets, Stock-on-Hire and Loans and Advances**

Rs. in Lacs (Net of Provisions)

Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1394.87	1394.87
(c) Other related parties	-	-	-
2. Other than related parties	-	66.83	66.83
Total	-	1461.70	1461.70

(7) **Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted):**

Category	Market Value/Break up or fair value or NAV	(Rs. in Lacs)
		Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	523.77	905.06
c) Other related parties	-	-
2. Other than related parties	938.72	921.08
Total	1462.49	1826.14

(8) **Other Information****Particulars****i) Gross Non Performing Assets**

(a) Related Parties	-
(b) Other than related parties	*-

*Due to Accumulated Lease Adjustment

ii) Net Non Performing Assets

(a) Related parties	-
(b) Other than related parties	-

iii) Assets acquired in satisfaction of debt14. **i) Managerial Remuneration to Managing/Whole Time Directors:**

	(Rs. in lacs)	
	31.03.2011	31.03.2010
Salary	25.20	25.20
Contribution to Provident Fund	3.02	3.02
Perquisites	12.42	12.55
Total	40.64	40.77

The Managing/Whole Time Directors of the Company were paid remuneration (without any commission) in accordance with the provisions of Schedule XIII to the Companies Act, 1956. Therefore computation of Net Profit under Section 198 of the Companies Act, 1956 is not applicable.

ii) Directors Sitting Fees

Sundry Expenses include **Rs. 85,000** (Previous Year Rs. 220,000) paid towards Directors' Sitting Fees for attending Board Meetings. No Meeting Fee was paid for attending Committee Meetings.

iii) Directors Travelling

Transport, Travelling and Motor Car Expenses include **Rs.1,713,329** (Previous Year Rs. 1,923,409). for Directors Travelling

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

16. Disclosures as required under **Accounting Standard – 15(Revised)** on “Employees Benefits” for Gratuity & Leave Encashment.

A. Assumptions	Leave Encashment	
Particulars	31.03.11	<u>31.03.10</u>
Discount Rate	8.00%	7.70%
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	10,01,953	9,14,804
Interest Cost	77,150	64,036
Current Service Cost	Nil	63,614
Benefit Paid	-	-
Actuarial(gain)/ Loss on obligation	(45,307)	(40,501)
Liability at the end of the year	10,33,795	10,01,953
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 Profit & Loss Account		
Current Service Cost	-	63,615
Interest Cost	77,150	64,036
Net Actuarial (Gain)/ Loss for the period	(45,307)	(40,501)
Liability Provided/paid already	6,27,419	6,01,649
Expenses Recognised in Profit & Loss account	6,59,262	6,88,799
E. Balance Sheet Reconciliation		
Opening Net Liability	10,01,953	9,14,804
Expenses charged to Profit & Loss account	6,59,262	6,88,799
Benefit Paid	(6,27,419)	(6,01,650)
Closing Liability as at 31.03.11	10,33,795	10,01,953

The Company has charged **Rs. 35,31,078/-** (previous year Rs. 7,17,588/-) to Profit & Loss Account for the year ended 31st March, 2011 towards Gratuity Liability as per Payment to Gratuity Act, 1972. The closing Gratuity liability as on 31st March, 2011 is **Rs. 1,00,47,494/-** (previous year Rs. 65,16,416/-).

17. (i) Figures of the Previous Year have been regrouped / rearranged wherever considered necessary to make them comparable with Current Year's figures.
 ii) Previous year's figures are given in bracket

As per our report of even date attached
For S.N.Dhawan & Co.
 Chartered Accountants
 FRN - 000050N

RAJIV GUPTA
 Chairman & Managing Director
 & Chief Executive Officer

ARTI GUPTA
 Joint Managing Director

BHARAT KUMAR
 Director

ARUN MITTER
 Executive Director

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

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

Place: New Delhi
 Dated: August 25, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)	(Rs. in lacs) As at 31.03.2010 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX	1,300.41		1,519.14
ADJUSTMENT FOR :			
DEPRECIATION	76.86		46.63
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(5.47)		(4.51)
LOSS/(PROFIT) ON SALE OF INVESTMENTS	(607.37)		(1,134.70)
INTEREST PAID	3.14		10.09
DIVIDEND RECIEVED	(39.54)		(12.30)
INTEREST RECIEVED	(84.88)		(75.28)
LEASE EQUILISATION CHARGE	(0.46)		(0.98)
PROPERTY RESERVE	39.50		42.79
EXCESS PROVISION FOR NPA WRITTEN BACK	(146.10)		(372.03)
	<u>(764.32)</u>		<u>(1,500.29)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	536.09		18.85
ADJUSTMENT FOR :			
TRADE & OTHER RECEIVABLES	(243.01)		33.49
ADVANCES RECOVERABLES	182.91		(496.17)
TRADE PAYABLES	194.09		(68.07)
	<u>133.99</u>		<u>(530.75)</u>
(INCREASE)/DECREASE IN NET CURRENT ASSETS			
CASH GENERATED FROM OPERATIONS	670.08		(511.90)
DIRECT TAXES PAID	(209.83)		(82.18)
CASH FLOW AFTER WORKING CAPITAL CHANGES BUT BEFORE BUSINESS INCREASE	460.25		(594.08)
ADJUSTMENT FOR BUSINESS INCREASE			
GROSS STOCK ON HIRE	4.72		116.04
LEASED ASSETS	79.41		38.93
	<u>84.13</u>		<u>154.97</u>
INCREASE IN BUSINESS ASSETS			
NET CASH FROM OPERATING ACTIVITIES	544.38		(439.11)
B CASH FLOW FROM INVESTING ACTIVITIES			
SALE OF INVESTMENTS	4,145.01		1,998.71
ADDITION TO INVESTMENTS	(9,146.14)		(1,392.62)
SALE/(ADDITION) OF FIXED ASSETS	(319.38)		67.72
DIVIDEND RECIEVED	39.54		12.30
INTEREST RECIEVED	84.88		75.28
	<u>84.88</u>		<u>75.28</u>
NET CASH RECIEVED IN INVESTING ACTIVITIES	(5,196.09)		761.39
C CASH FLOW FROM FINANCING ACTIVITIES			
INCREASE IN WORKING CAPITAL LIMITS FROM PROCEEDS/(REPAYMENT) FROM BORROWINGS	5,008.21		(237.93)
INTEREST PAID	(3.14)		(10.09)
DIVIDEND PAID	(387.27)		0.00
TAX ON DIVIDEND	(62.30)		0.00
INCREASE /DECREASE IN OTHER LOANS	(62.58)		5.49
	<u>4,492.92</u>		<u>(242.53)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(158.79)		79.75
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	240.00		160.25
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	81.21		240.00

As per our report of even date attached
For **S.N.Dhawan & Co.**
Chartered Accountants
FRN - 000050N

RAJIV GUPTA
Chairman & Managing Director
& Chief Executive Officer

ARTIGUPTA
Joint Managing Director

BHARAT KUMAR
Director

ARUN MITTER
Executive Director

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

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

Place: New Delhi
Dated: August 25, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

2 0 8

State Code

5 5

CIN No.

L 7 4 8 9 9 D L 1 9 3 0 P L C 0 0 0 2 0 8

Balance Sheet Date

3 1 0 3 2 0 1 1

II. Capital Raised during the year
(Amounts in Rs.Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of funds (Amount in Rs.Thousands)

TOTAL LIABILITIES

1 2 3 6 5 6 3

TOTAL ASSETS

1 2 3 6 5 6 3

SOURCES OF FUNDS

Paid-up Capital

1 9 3 6 3 6

Secured Loans

4 9 2 3 0 0

Reserves & Surplus

5 4 2 1 0 6

Unsecured Loans

8 5 2 1

APPLICATION OF FUNDS

Net Fixed Assets

2 9 4 6 2 9

Net Current Assets

(-) 4 7 3 0 8

Accumulated Losses

1 6 7 9 7

Investments

9 7 2 4 4 5

Misc. Expenditure

N I L

IV. Performance of Company
(Amounts in Rs.Thousands)

Turnover

2 1 8 8 3 6

Total Expenditure

8 8 7 9 5

Profit/Loss before Provision & Tax

+ -
 1 3 0 0 4 1

Profit/Loss after Provisions & Tax but before appropriation

+ -
 1 0 6 8 4 1

Earnings per Share (in Rs.)

5 . 5 2

Dividend

1 5 %

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Product Description

Item Code No.

LEASING

NIL

HIRE PURCHASE

NIL

BILLS DISCOUNTING

NIL

OFFICES**MUMBAI**

1, Atlanta Building
209, Nariman Point
Bombay-400021
Phones: 022-30281792-95
Chief Executive: Sh.S.S. Khera

KOLKATA

15, Chittaranjan Avenue
Kolkata-700072
Phones: 22129623

ERNAKULAM

First Floor, Thampys Building
M.G. Road, Ernakulam
Cochin-682011 (Kerala)
Phones: 2373137/2366539/2362230
Regional Manager: Mr.Umesh Sanan

JALANDHAR

501, 4th floor,Delta Chamber
35,G.T.Road, Jalandhar (Punjab)
Phones: 225332/227115

BANGALORE

305, Raheja Chambers
12, Museum Road
Bangalore-560001
Phones: 25596651, 25596650
Asst. Vice President Mr. R. V. Raja

KOTTAYAM

S.H. Mount Post , Kottayam
(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,
New No. 106, Vivekanantha Road
Ram Nagar Coimbatore - 641009
Phones: 0422-2236789
Incharges : Mr. A. Kabir

IMPORTANT COMMUNICATION NEEDING YOUR ATTENTION**MCA's Green Initiative for Paperless Communications**

The Ministry of Corporate Affairs(MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies after considering the relevant sections of the Information Technology Act,2000, for legal validity of compliances under Companies Act,1956 through electronic mode. The MCA has vide its Circular No. 17/2011 dated April 21,2011 and 18/2011 dated April 29,2011, provided that a company would have complied with Section 53 of the companies Act,1956, if the service of documents has been made through electronic mode, provided the company has obtained the e-mail addresses of its members for sending the notice/ documents through e-mail by giving an advance opportunity to every member to register his/her e-mail address and changes therein from time to time with the company. In cases where any member has not registered his/her email address with the company, the service of documents etc will be effected by other modes of service as provided in Section 53 of the Companies Act,1956.

In light of the above, those members, who desires to receive notice/documents including Annual Reports through e-mail, are requested to communicate their-email ID and changes there to the Comapny at its Registered Office or log on to <http://www.mgf ltd@hotmail.com> to register yourself. You can also down load the registration form as under, from our website <http://www.mgf ltd.com> .

THE MOTOR & GENERAL FINANCE LIMITED
Regd Office: MGF HOUSE,4/17-B, ASAF ALI ROAD,
NEW DELHI-110002

Form for registering e-mail ID for receiving documents/notices by electronic mode

(With reference to the Circular No.17/2011 dated 21st April,2011 and 18/2011 dated April 29th, 2011 issued by Ministry of Corporate Affairs, Govt of India)

To

The Company Secretary,

The Motor & General Finance Limited

MGF House, 4/17-B,

Asaf Ali Road,

New Delhi-110002

I agree to receive all documents/notices from the company in electronic mode. Please register my-email ID in your records for sending communication through e-mail. The required details are as under:-

Folio No. (For Physical Shares) :

DP ID / Client ID :

PAN No. :

Name of 1st Registered holder :

Name of Joint holder(s) :

Registered address :

Email ID :

Date:

Signature of First Holder



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, Grams : 'EMGEEF' Telefax : 66436
E-mail : mgfltd@hotmail.com
Website : www.mgfltd.com

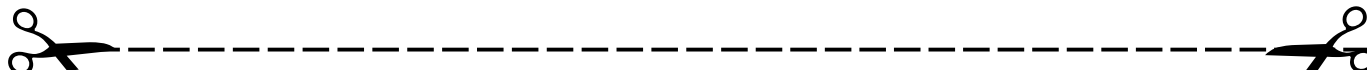
ADMISSION SLIP

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 81st Annual General Meeting of **THE MOTOR & GENERAL FINANCE LIMITED** on Thursday, September 29, 2011 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, Grams : 'EMGEEF'
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.....

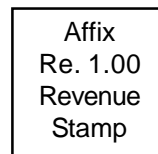
.....of.....or, failing

him/her.....of.....,

as my /our proxy to attend and vote for me/us on my /our behalf at the 81st Annual General Meeting of the company to be held on Thursday, September 29, 2011 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 2011.

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.

BOOK POST

If undelivered please return to :

The Motor & General Finance Limited

Regd. Off. : 'MGF House', 4/17-B, Asaf Ali Road
New Delhi - 110 002.