

MAL/SEC/BSE/AGM/18-19

October 3, 2019

To,  
Bombay Stock Exchange Limited  
PJ Towers, Dalal Street, 5<sup>th</sup> floor,  
Mumbai-400001

**Subject: 46<sup>th</sup> Annual Report of Majestic Auto Limited**

**Ref: Scrip Code 500267**

Sir's

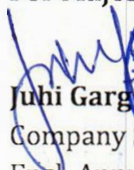
Please find attached the 46<sup>th</sup> Annual Report approved in the Annual General meeting of the company held on 28<sup>th</sup> September, 2019.

This is for your kind information and records please.

Thanking You.

Yours sincerely,

**For Majestic Auto Limited**



**Juhi Garg**

Company Secretary & Compliance Officer

Encl: Annual Report



# **46<sup>th</sup>** **ANNUAL REPORT** **2018 - 2019**



**MAJESTIC AUTO LIMITED**

# MAJESTIC AUTO LIMITED

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## INVESTOR INFORMATION

<b>Market Capitalisation</b>	<b>BSE Code</b>	<b>BSE Symbol</b>
INR 109.33 Cr	500267	MAJESAUT

**AGM Date**  
**Saturday, 28<sup>th</sup> September, 2019**

## AGM Venue

### Lakshmipat Singhania Auditorium

PHD Chamber, PHD House  
 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016







# CHAIRMAN'S & MANAGING DIRECTOR'S MESSAGE

## Dear Shareholders,

I take great pleasure in presenting you the 46th annual report of Majestic Auto Limited for the FY 2018-19. As you all are aware, India is entering an era of great opportunities. With a new government in place with a stable majority and visionary leadership, the country is potentially on the threshold of a historic leap forward. However, this calls for rapid reforms and innovative policies aimed at enabling businesses to grow and jobs to be generated on a massive scale.

As you all are aware, that company had discontinued manufacturing operations in the year 2017-18 and now is fully committed to the new objects of providing Facility Management services. Your company has generated revenue of Rs. 91 Cr in FY 19 against Rs. 17Cr in FY 18.

The Indian Facilities Management industry is in the midst of rapid developments in end-user industries, which has led to the considerable growth of commercial activities in metropolitan areas such as Delhi/NCR, Mumbai, Hyderabad, Pune, Chennai and Bengaluru. According to a Technavio report, analysts forecast a CAGR of 17.9% for the Indian FM industry, over the next three years. In effect, FM services are steadily gaining popularity among commercial as well as residential clients, driven by modernization and urban development. The southern, western and northern regions pose as potential growth areas due to their ability to attract more real estate investments.

Your company is also focused on giving office/manufacturing spaces on lease in the FY 2019-20 in line with the office space leasing business carried through our subsidiary Emirates Technologies Private Limited. The growth in real estate will be paired with a preference towards safe, clean and secure environment.

Going forward, company will leverage the advantages on focusing on monetization of the finished inventory by utilizing the surplus cash flows primarily for debt reduction and re-invest in developments of new projects for both the businesses.

Your company has also plans for doing philanthropic activities covered under Corporate Social Responsibility in the field of education and skill development this year.

I would like to thank all shareholders, employees, customers, bankers and business associates for their valuable support and look forward to continued encouragement in our mission of Building India.

On behalf of fellow Directors and Majestic family, I thank each one of you for the support and guidance in all the facets of the company.

## Facility Management – An insight

Facility Management is a profession that encompasses multiple disciplines to ensure functionality, comfort, safety, and efficiency of the built environment by integrating people, place, process and technology.

The Indian Facilities Management (FM) industry is in the midst of rapid developments in end-user industries, which has led to the considerable growth of commercial activities in metropolitan areas such as Delhi /NCR, Mumbai, Hyderabad, Pune, Chennai, and Bengaluru. According to a Technavio report, analysts forecast a CAGR of 17.19% for the Indian FM industry, over the next three years. In effect, FM services are steadily gaining popularity among commercial as well as residential clients, driven by modernization and urban development. The southern, western and northern regions pose as potential growth areas due to their ability to attract more real estate investments.

## Growth opportunities

The growth in real estate will be paired with a preference towards safe, clean and secure environment, especially in the residential sector. Beyond the Tier 1 metros, demand is also expected to rise from the tier II and tier III cities due to increased business activities. Untapped areas of potential include Kolkata, Chennai, the upcoming capital of Andhra Pradesh (Amravati), and UP. Industry wise, IT/ITES/ BFSI sectors constitute more than 21% of revenue generated, followed by demand leaders in other sectors such as retail, healthcare, infrastructure, and manufacturing.

By 2025, around 38% of India's population is predicted to live in urban regions, and cities will account for 80% of India's GDP. The government's ambitious plan to develop 100 smart cities, (attracting an investment of \$216 Billion into infrastructure), will result in a surge in infrastructure creation, driven by sustained population growth. This will create a sustained need for professional, holistic facilities maintenance services.

## Challenges

The biggest challenge faced by the industry is to transform the perception of FM services beyond traditional housekeeping services. Building maintenance is arguably the core of FM services, but today also spans sophisticated requirements spanning Integrated Facilities Management, Industrial Facilities Management, Specialised Engineering Services, and Soft Services. In comparison with the global industry, the Indian FM lags in areas such as market maturity and appreciation for high standards of service delivery. There is a strong case to be made for raising awareness about the benefits of quality FM services, in terms of business continuity, operations costs rationalisation, long term real estate asset value optimisation, and green standards compliance. The dearth of skilled and non-technical manpower and the lack of infrastructure to train manpower with technical expertise serve as other key challenges. The FM industry

suffers from severe fragmentation and is dominated largely by the unorganised sector, primarily through local service providers. The low cost unorganized service providers often undercut the organised sector, as they have the capacity to absorb razor thin margins, due to their non-existent statutory compliance overheads. While attractive from a price perspective, there is a hidden cost and risk involved, as local players are unable to provide FM services on par with global standards and best practices.

## Trends defining the future of FM market

The FM industry is gearing up for a historic shift towards automated services, with considerable investment of manpower and resources toward creating technology driven services platforms. In the coming years, buzzwords like Building Information Modelling (BIM) and Computer Assisted Facilities Management (CAFM) are likely to feature in client demand lists, and act as a driving force towards the natural evolution of the industry, which is likely to witness:

- A consolidation in the industry as unorganised sector transforms and gets absorbed into organised sector
- Driven by greater demand for quality services that adhere to international standards, real estate developers and owners will prefer global and experienced corporate FM services providers
- Industrial and Manufacturing sector will shift from in-house maintenance to outsourcing FM services requirements
- An influx of trained and qualified engineers to help industry adapt to global engineering standards and best practices

The growing footprint of facilities management in the country would necessitate innovation and demand in Specialised Engineering Services, covering areas such as energy efficiency, thermal audits, and Green Building concepts.

Moreover, by 2020, the growth in sectors such as Industrial, Manufacturing, and Commercial segments, are poised to transform the landscape of the FM market in India.

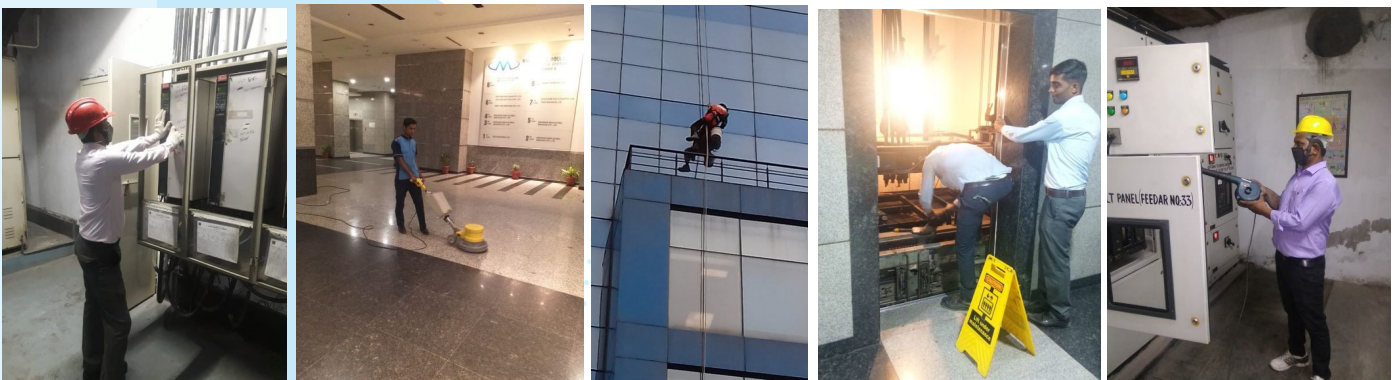
The future is bright and ripe with innumerable opportunities, and the need of the hour is to invest in the future and usher in fresh ideas and perspective, to help elevate the standards and norms, and transform the FM sector into a thriving highlight of the Services sector, generating employment for millions of motivated professionals.

And the organised FM sector has geared up to the challenge of nurturing the logical evolution of the industry to take it to the next phase of growth.

Source: EFS Facilities Services(India) Private Limited

## Majestic Auto Limited: Facility Management Service Provider

We at Majestic Auto Limited, manage every insight of Facility Management in the best way possible. Here are some pictures of Facility Management done at Emirates Technologies Private Limited located at Plot A8A, Sector-62, Noida.









# BOARD OF **DIRECTORS**



**Ms. Aashima Munjal,  
Joint Managing Director**



**Mr. Mahesh Munjal,  
Chairman & Managing Director**



**Mr. Naveen Jain,  
Independent Director**



**Mr. Vikas Nanda,  
Independent Director**



**Mr. Sham Lal Mohan,  
Independent Director**



**Mr. Aayush Munjal,  
Whole time Director**

# CORPORATE INFORMATION

## Board of Directors

Mr. Mahesh Munjal – Chairman & Managing Director  
 Ms. Aashima Munjal – Whole time Director  
 Mr. Aayush Munjal – Whole time Director  
 Mr. Vikas Nanda – Independent Director  
 Mr. Naveen Jain – Independent Director  
 Mr. Sham Lal Mohan – Independent Director  
 Mr. Anil Kumar Sharma – Independent Director

## Chief Financial Officer

Mr. Rajpal Singh Negi

## Company Secretary & Compliance Officer

Ms. Juhi Garg

## Statutory Auditors

M/s SAR & Associates

## Internal Auditors

M/S S.Tandon & Associates

## Registered Office

10, Southern Avenue,  
 Maharani Bagh,  
 New Delhi

## Corporate Office

A-110, Sector-4  
 Noida-201301

## Audit Committee

Mr. Vikas Nanda  
 Mr. Naveen Jain  
 Mr. S.L Mohan

## Nomination & Remuneration Committee

Mr. Naveen Jain  
 Mr. Vikas Nanda  
 Mr. S.L Mohan

## Stakeholders Relationship Committee

Mr. Vikas Nanda  
 Mr. Mahesh Munjal  
 Ms. Aashima Munjal

## Corporate Social responsibility Committee

Mr. Mahesh Munjal  
 Mr. Vikas Nanda  
 Ms. Aashima Munjal

## Registrar & Transfer Agent

M/s Alankit Assignments Limited  
 Alankit Heights  
 3E/7, Jhandewalan Extension  
 New Delhi-110055

# NOTICE OF 46<sup>th</sup> ANNUAL GENERAL MEETING

**Notice** is hereby given that the 46<sup>th</sup> Annual General Meeting of the members of Majestic Auto Limited will be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 11.00 A.M. at Lakshmi Pat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following business:-

## ORDINARY BUSINESS:

**Item no. 1: To receive, consider, approve and adopt Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the Report of Board of Directors and Auditors' thereon:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March 2019 along with Directors' Report, Independent Auditors' Report thereon be and are hereby received, considered, approved and adopted."

**Item no. 2: To appoint Ms. Aashima Munjal (DIN: 00050716), who retires by rotation and being eligible, offers herself for re-appointment as a Director:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Aashima Munjal (DIN: 00050716), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

## SPECIAL BUSINESS:

**Item No. 3: To appoint Mr. Sham Lal Mohan (DIN: 00028126) as an Independent Director of the Company:**

To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment(s) thereof, for the time being in force), Mr. Sham Lal Mohan (DIN: 00028126), who was appointed as Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from April 18, 2019, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years with effect from April 18, 2019 and to continue his office as an Independent Director even after attainment of the age of 75 years during his term of appointment."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution."

**Item No. 4: To appoint Mr. Anil Kumar Sharma (DIN No. 01157106) as an Independent Director of the Company:**

To consider and if thought fit, to pass, with or without modification, the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment(s) thereof, for the time being in force), Mr. Anil Kumar Sharma (DIN No. 01157106), who was appointed as Additional Director in the capacity of Independent Director of the Company by the Board of Directors with effect from August 12, 2019, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years with effect from August 12, 2019."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution."

**Item No. 5: To give consent for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate**

To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of 500 Crores (Rupees Five Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**Place :** Noida

**Date :** 12.08.2019

**Regd. Office :** Majestic Auto Limited,

10 Southern Avenue, First Floor, Maharani Bagh,  
New Delhi-110065

**Email:** grievance@majesticauto.in,

**Website:** www.majesticauto.in

**CIN:** L35911DL1973PLC353132

**Phone No.** 0161-2670234

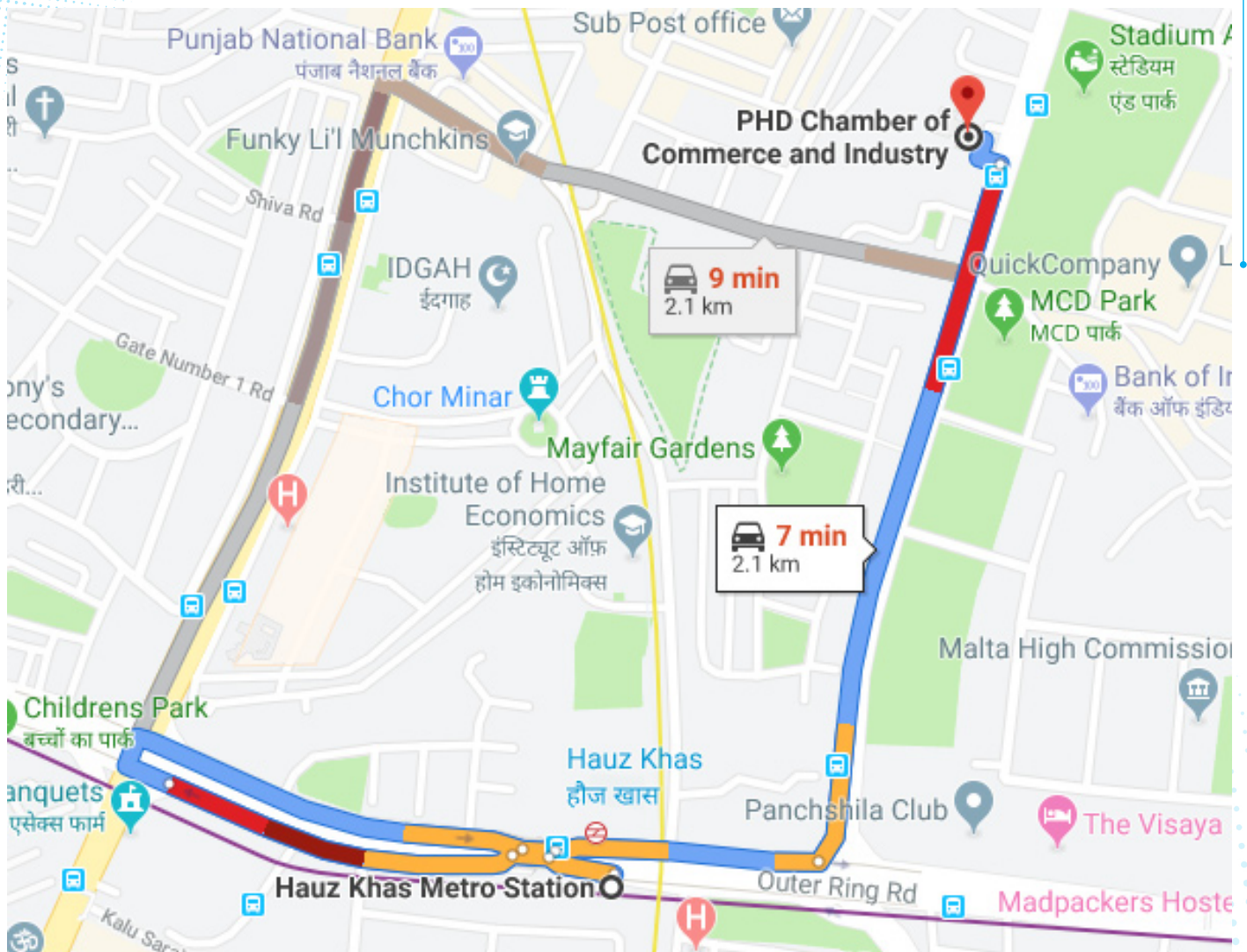
**Fax No.** 0161-2672790

**By Order of the Board of Directors  
For Majestic Auto Limited**

Sd/-  
**Juhi Garg**  
Company Secretary



## ROUTE MAP



# NOTES

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.**

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution or power of attorney authorizing their representative to attend and vote on their behalf at the meeting.
3. Pursuant to Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Shares Transfer Books of the Company will remain closed from 21.09.2019 to 28.09.2019 (both days inclusive).
4. The Explanatory Statement setting out the material facts concerning Special Business at Item Nos. 3, 4 & 5 of the accompanying notice as required by Section 102 of the Companies Act, 2013, is annexed hereto.
5. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios, if any.
6. Members are requested to bring their copy of the Annual Report along with them in the Annual General Meeting.
7. Members attending the meeting are requested to complete the enclosed Attendance slip and deliver the same at the entrance of the meeting hall. Members are also advised to carry latest valid photo ID proof in original for verification, if required.
8. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
10. The Company has designated an exclusive e-mail ID namely: [grievance@majesticauto.in](mailto:grievance@majesticauto.in) for receiving and addressing investors' grievances.
11. 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 are requested to submit their PAN details to the Registrar.
12. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all documents referred to in the

Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during the business hours between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting and will also be available for inspection at the venue of the Meeting.

13. Copies of the Annual Report are being sent by electronic mode only to those members whose email addresses are registered with the company/depository participants(s) for communication purposes unless any members has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report are being sent by permitted mode.
14. Members are requested to register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email. The Annual Report along with Notice of AGM for financial year 2018-19 will also be available on the Company's website [www.majesticauto.in](http://www.majesticauto.in).
15. Members of the Company who have registered their email address are also entitled to receive such communication in physical form upon making a request for the same by any, permissible mode, free of cost. For any communication, the members may also send requests to company's investor email id: [grievance@majesticauto.in](mailto:grievance@majesticauto.in)
16. Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.
17. Members are requested to send their queries, if any, at least seven (7) days in advance of the meeting so that the information can be made available at the meeting.
18. Route map and details of prominent land mark of the venue of meeting is enclosed.

## VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company will provide e-voting facility to the members. All business to be transacted at the forthcoming Annual General Meeting can be transacted through the electronic voting system provided by Central Depository Services (India) Limited (CDSL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
3. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members/depositories as at closing hours of business, 23.08.2019.
4. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
5. The Company has appointed Mr. Nitin Bhatia, Practicing Company Secretary, as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
6. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the



conclusion of meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or a person authorized by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorized by him in writing shall declare the result of the voting forthwith.

7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.majesticauto.in](http://www.majesticauto.in) and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.
8. The voting period begins on 9.00 a.m. (IST) on 25.09.2019, and ends on 5.00 p.m. (IST) on 27.09.2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 20.09.2019, may obtain the login ID and password by sending a request at [grievance@majesticauto.in](mailto:grievance@majesticauto.in).

#### Instructions for Voting through electronic mode

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter folio number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID/Folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using **CDSL's mobile app m-Voting** available for all mobile users. The m-Voting app can be downloaded from Google Play Store. I-Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### (xix) Note for Non – Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or you may also contact CDSL on Toll Free 1800-200-5533 (10.00 am to 6.15 pm Monday – Friday and 10.00 am to 2.00 pm on Saturday).

#### ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
(E-Voting Sequence No.)		
190824015	16 Digit Demat Account No./ Folio No. of Member holding shares in physical form	As per e-voting Instructions

**Details of persons seeking appointment/re-appointment as required to be given as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and applicable Secretarial Standards are given herein below:**

Particulars	Ms. Aashima Munjal	Mr. Sham Lal Mohan	Mr. Anil Kumar Sharma
Age and date of birth	38 Years, June 02, 1981	74 Years, February 10, 1945	65 Years, June 29, 1954
Qualifications	Master of Science in Engineering Degree and Bachelors in Computer Science from John Hopkins University, USA	-B.Sc Engineering (Mechanical) Punjab Engineering College, Chandigarh. -AIII (General), Insurance Institute of India, Mumbai	-B. Tech from Punjab Agriculture University, Ludhiana -MBA from department of Business, Punjab Agriculture University, Ludhiana
Experience (including expertise in specific functional area)/Brief Resume	Ms. Ashima Munjal joined the Company on August 14, 2010 as Director of the Company. Previously she has worked with the centre for networking and Distributed Systems at John Hopkins University, Unisys Corporation and the Veteran Health Administration in the United States of America. She carries vast experience in Real Estate, Office Space Leasing and Facility business.	Mr. S.L. Mohan is presently Director on the Board of Many Companies and has acted as Sole Arbitrator, Presiding Arbitrator and Co-Arbitrator in a number of Arbitration cases related to Insurance/Reinsurance. During the period from November, 2008 to October, 2011 he acted as Secretary General of General Insurance Council. He has also acted as member of various committees setup by FICCI and CII in respect to various insurance reforms.	Mr. Anil Kumar Sharma is presently President & CEO of Winsome Textile Industries Limited, he joined Vardhman Group as management trainee in year 1979 and after serving vardhman group for 6 years in various positions and rising upto the level of sales head he joined winsome textile as Marketing Manager in year 1985. He was awarded best alumni award for year 1995 and LMA- Dayanand Munjal Manager of the Year Award for the year 1996
Date of first appointment on the Board	August 14, 2010	April 18, 2019	August 12, 2019
Shareholding in the Company as on March 31, 2019	NIL	NIL	Nil
Relationship with other Directors/Key Managerial Personnel	She is daughter of Mr. Mahesh Munjal, Managing Director of the Company and sister of Mr. Aayush Munjal, Whole time Director of the Company.	None	None
Number of meetings of the Board attended during the year	Details are given in Corporate Governance Report	N.A.	N.A.
Directorships of other Boards as on March 31, 2019	Details given in Corporate Governance Report	- Arcotech Limited - Jaiprakash Power Ventures Limited - Jaypee Fertilizers & Industries Limited - Himalyan Expressway Limited -Religare Health Insurance Company limited - Jaypee Healthcare Limited	-Kailashpati Vinimay Private Limited -Winsome Textile Industries Limited (CEO)
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Details are given in Corporate Governance Report	<u>Chairman of Audit Committee</u> - Jaypee Fertilizers & Industries Limited - Himalyan Expressway Limited - Jaypee Healthcare Limited <u>Member of Audit Committee</u> Religare Health Insurance Company limited	Nil

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **ITEM NO. 3**

Based on the recommendation of the Nomination and Remuneration Committee, The Board of Directors of the Company at their meeting held on April 18, 2019 appointed Mr. Sham Lal Mohan as Additional Director (Independent) with immediate effect pursuant to Section 161 of the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Articles of Association of the Company. Hence, they will hold office up to the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

Further, the Company has received declaration from Mr. Sham Lal Mohan that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. Mr. Sham Lal Mohan is independent of the management and possesses appropriate skills, experience and knowledge and he does not hold any shares of the Company in his name. He is not related to any Director or Key Managerial Personnel of the Company.

The Board considers that their association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the approval of the members is sought for appointment of Mr. Sham Lal Mohan as an Independent Director of the Company for 5 (five) consecutive years w.e.f. April 18, 2019.

Further, pursuant to Regulation 17(1A) of SEBI Listing Regulations, a company can appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years only with the approval of the shareholders through a special resolution. Mr. Sham Lal Mohan would attain the age of 75 years during his term of appointment. Hence, the approval of the shareholders is sought for appointment of Mr. Sham Lal Mohan as an Independent Director for a term of five years and for continuation of office of a Director after the attainment of 75 years as well by way of Special Resolution.

Save and except Mr. Sham Lal Mohan, none of the other Director/ Key Managerial Personnel is concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

### **ITEM NO. 4**

Based on the recommendation of the Nomination and Remuneration Committee, The Board of Directors of the Company at their meeting held on August 12, 2019 appointed Mr. Anil Kumar Sharma as Additional Director (Independent) with immediate effect pursuant to Section 161 of the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Articles of Association of the Company. Hence, they will hold office up to the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as directors in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

Further, the Company has received declaration from Mr. Anil Kumar Sharma that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations. Mr. Anil Kumar Sharma is independent of the management and possesses appropriate skills, experience and knowledge and he does not hold any shares of the Company in his name. He is not related to any Director or Key Managerial Personnel of the Company.

The Board considers that their association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the approval of the members is sought for appointment of Mr. Anil Kumar Sharma as an Independent Director of the Company for 5 (five) consecutive years w.e.f. August 12, 2019.

Save and except Mr. Anil Kumar Sharma, none of the other Director/ Key Managerial Personnel is concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

### **ITEM NO. 5**

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting. As per the latest audited Balance Sheet of the Company as on 31st March 2019, sixty per cent of the paid-up share capital, free reserves and securities premium account amounts to 124.06 Crores while one hundred per cent of its free reserves and securities premium account amounts to 196.37 Crores. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is approximately 196.37 Crores. As on 31st March 2019, the aggregate value of investments and loans made and guarantee and securities issued by the Company, as the case may be, amounts to 129.88 Cr. In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.5 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act. The Directors recommend the Special Resolution as set out at Item No. 5 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.



# BOARD'S REPORT

## TO THE MEMBERS OF MAJESTIC AUTO LIMITED

Your Directors have pleasure in presenting you the 46<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Results for the financial year ended March 31, 2019.

### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Revenue from operations</b>	8145.58	896.64	11670.26	5577.24
<b>Profit before Finance Cost and Depreciation Expenses</b>	5208.67	1029.37	8518.66	4202.95
Finance Costs	610.49	583.60	2160.74	2297.12
Depreciation and Amortisation Expenses	79.42	249.04	698.55	819.34
<b>Profit from ordinary activities before share of Profit/(Loss) of Associates</b>	4518.76	196.73	5658.97	1086.49
<b>Profit before tax</b>	<b>4518.76</b>	<b>196.73</b>	<b>5658.97</b>	<b>1086.49</b>
Tax Expense	(223.99)	(152.11)	9.75	49.13
<b>Profit for the year from continuing operations after tax</b>	4742.75	348.84	5649.22	1037.36
<b>Profit/(Loss) from discontinuing operations after tax</b>	(1148.49)	(1302.07)	(1148.49)	(1302.06)
<b>Profit for the year</b>	<b>3594.26</b>	<b>(953.23)</b>	<b>4500.73</b>	<b>(264.70)</b>
Attributable to:				
-Equity Shareholders of the Company	3594.26	(953.23)	4360.27	(359.73)
-Non-controlling interests	N.A	N.A	140.46	95.03
Other Comprehensive Income	(6992.76)	3086.57	(6999.11)	3087.52
<b>Total Comprehensive Income</b>	<b>(3398.50)</b>	<b>2133.34</b>	<b>(2498.38)</b>	<b>2822.02</b>
<b>Balance in Retained Earnings at the beginning of the year</b>	15417.71	14188.56	15713.67	13890.07
Profit for the year (attributable to equity shareholders of the company)	3594.26	(953.23)	4360.22	(359.73)
Remeasurement of defined Employee benefit plans)	(3.95)	68.67	(10.30)	69.62
Dividends including tax on dividend	Nil	Nil	Nil	Nil
Acquisition of non-controlling interests	NA	NA	Nil	Nil
Transferred to General Reserve	-	2113.71		2113.71
<b>Balance in Retained Earnings at the end of the year</b>	<b>19008.02</b>	<b>15417.71</b>	<b>20063.59</b>	<b>15713.67</b>

### DIVIDEND

To sustain internal accruals for the future growth of the Company, your Directors do not recommend any dividend for the Accounting Year.

### RESERVES

The Company does not propose to carry any amount to reserves.

### CAPACITY UTILIZATION & PLANT OPERATIONS

The company has discontinued operations of manufacturing in the second half of the financial year 2017-18, which continues to prevail in the financial year 2018-19. The company has diversified into facility management services, leasing of owned/rented property, purchase, acquire, build & construct any property etc.

### CHANGE IN SHARE CAPITAL

The paid up equity capital as on March 31, 2019 stands at Rs. 10,39,82,280/- consisting of 1,03,97,478 Equity Shares of Rs.10/- each with no change as compared to previous year.

### SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

#### HOLDING COMPANY

The Holding Company, M/s Anadi Investments Private Limited is holding 7,757,687 equity shares in the company of Rs. 10/- each

equivalent to 74.61% of the paid up capital of the company as on 31st March 2019.

### SUBSIDIARY COMPANIES

The Company has following Subsidiaries:

- Majestic IT Services Limited (MITSL)**, engaged in the business of Facility Management Services led by Ms. Aashima Munjal, Managing Director of the company. The Company managed to achieve revenue of **Rs. 5.97 Cr** in the FY 18-19.
- Emirates Technologies Private Limited (ETPL)**, whose 80% equity was acquired by the company in September 2015 has its operations in National Capital Region (Delhi NCR). The main objective for the acquisition was to diversify investments and operations of the company. ETPL achieved revenue of **Rs.36.25 Cr** in the FY 18-19. The main objects of ETPL are in the business of Facility Management Services or related services.

### MATERIAL SUBSIDIARIES

The Board of Directors of your company has approved a policy for determining material subsidiaries. There were two material subsidiary companies named Emirates Technologies Private Limited and Majestic IT Services Ltd. as per the regulation 16(1)(c) of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The policy on Material Subsidiary can be viewed on company's website [www.majesticauto.in](http://www.majesticauto.in) at the following link [http://majesticauto.in/cwd\\_hero/images/files/29033469\\_134\\_.pdf](http://majesticauto.in/cwd_hero/images/files/29033469_134_.pdf)

## MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31<sup>st</sup> March, 2019 and date of the report of the Company which affects the financial position of the Company.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the period under review, no significant or material order has been passed by any regulators or court or tribunals impacting the going concern status and company operations in future during the period.

## BOARD OF DIRECTORS

### CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, following changes happened at the board level:

- Major Shavinder Singh Khosla, Independent Director of the company, resigned on 10<sup>th</sup> August, 2018 citing health reasons.
- Mr. Naveen Jain, has been appointed as Additional Independent Director on 10<sup>th</sup> August, 2018 which got approved by the shareholders in 45<sup>th</sup> AGM.
- Dr. M.A. Zahir, Independent Director of the company expired on 8<sup>th</sup> November, 2018 and board took note of the same and recorded appreciation for his invaluable contribution made towards the company.
- Mr. Sham Lal Mohan has been appointed as an additional Independent Director of the company on 18<sup>th</sup> April, 2019 pending for the approval of shareholders in ensuing Annual general meeting of the company.
- Mr. Anil Kumar Sharma has been appointed as an additional Independent Director of the company on 12<sup>th</sup> August, 2019 pending for the approval of shareholders in ensuing Annual general meeting of the company.

## RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Ms. Aashima Munjal, Joint Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment.

### DECLARATION BY INDEPENDENT DIRECTOR(S) FOR THE FINANCIAL YEAR 2018-19

The definition of "Independence" of Independent Directors has been derived from Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received, Mr. Vikas Nanda, Mr. Naveen Jain, Mr. Anil Kumar Sharma & Mr. S.L. Mohan are already holding the position of Independent Director of the company as per Section 149(6) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013: -

The Company has received declarations from all the Independent Directors in accordance with Section 149 of the Companies Act, 2013, for the financial year 2019-20, that they meet the criteria of independence as laid out in Sub-Section (6) of Section 149 of the Companies Act, 2013.

### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Four (04) meetings of the Board of Directors of the Company were held in the financial year 2018-19. The details of the Board Meeting are mentioned in the Corporate Governance report (**Annexure VII**)

as under. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### COMMITTEES OF BOARD

#### i. Nomination & Remuneration Committee:

Nomination & Remuneration Committee constituted under the provisions of Companies Act' 2013 consist of below mentioned members:

Mr. Naveen Jain	Chairman
Mr. Vikas Nanda	Member
Mr. Sham Lal Mohan	Member

### BOARD EVALUATION

Pursuant to the applicable provisions of the Act and Regulation 17(10) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the performance of the Board and individual Directors was evaluated by the Board seeking relevant inputs from all the Directors.

One separate meeting of Independent Directors was held during the year to review the performance of Non- Independent Directors, performance of the Board as a whole and performance of the Chair-person of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

#### ii. Audit Committee:

Audit Committee constituted under the provisions of Section 177 of the Companies Act, 2013 consist of below mentioned members:

Mr. Vikas Nanda	Chairman
Mr. Naveen Jain	Member
Mr. Sham Lal Mohan	Member

During the period under review, four (04) meetings of Audit Committee were held in the year, the details of which are mentioned in the Corporate Governance Report and there was no such recommendation of Audit committee which was not accepted by the board. Hence, disclosure of the same is not required in this report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS COVERED UNDER SECTION 188(1)

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Thus, disclosure in form AOC -2 is not required. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the regulations made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website of the Company i.e. [www.majesticauto.in](http://www.majesticauto.in).

## LISTING

The shares of your Company are listed at BSE Limited, and pursuant to Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Annual Listing fees for the year 2019-20 have been paid to them well before the due date i.e. April 30, 2019. The Company has also paid the annual custodian fees for the year 2019-20 in respect of Shares held in dematerialized mode to NSDL & CDSL.

## DEPOSITS

Your company has neither accepted nor renewed any deposits during FY 2018-19 in terms of Chapter V of the Act.

## INSURANCE

Company's assets are adequately insured against multiple risks from fire, riot, earthquake, terrorism and other risks which are considered necessary by the management.

## RATINGS FOR BORROWINGS

During the year 2017-18, the rating agency has withdrawn the [ICRA]BBB Negative/[ICRA]A3+ assigned to bank lines of Majestic Auto Limited as the company was not falling into the requirement of getting the borrowings rated. It is still not applicable on the company.

## DIRECTOR'S RESONSIBILITY STATEMENTS

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- In the preparation of the annual accounts, the applicable **Indian accounting standards (abbreviated Ind-AS)** have been followed for the year as prescribed under Section 133 of Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, in a simple and concise manner.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROL SYSTEMS

The Corporate Governance Policy guides the conduct of the affairs of your Company and clearly delineates the roles, responsibilities at each level of its key functionaries involved in governance. Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

## STATUTORY AUDITORS

**M/S SAR & Associates, Chartered Accountants** (Firm Registration No. 122400W) were appointed in 2018 as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 45th AGM to the conclusion of 50th AGM of the company. They have audited the Financial Statements of the company for the FY under review. The observations of Statutory auditors in their report read with relevant Notes to accounts are self-explanatory and therefore do not require further explanation.

The Auditor's report does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the audit committee or the board under Section 143(12) of the Act.

## SECRETARIAL AUDIT

M/s PKB and Associates, Practicing Company Secretaries, Delhi, were appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19 under Section 204 of the Indian Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for Financial Year 2018-19 is appended as an **Annexure I** to the Board's report.

### Comments on the observations

In order to meet the requirements of SEBI (LODR) Regulations, 2015 and filling the casual vacancy caused due to unexpected and sudden demise of Dr. M.A. Zahir, Company started the process of screening the individuals to find the best fit for the organization but, this entire process took more than the expected time.

Further, please note that company has duly filed that casual vacancy on April 18, 2019 and the delay was totally unintentional and circumstantial due to the sudden casual vacancy.

As, subsidiaries of Majestic Auto Limited are material subsidiary and the Secretarial Audit report of both the unlisted material subsidiaries are appended as well.

## COST AUDIT

Due to manufacturing operations being discontinued, cost audit is not applicable on the company.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 in Form No. MGT - 9 is attached at **Annexure II**.

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has been uploaded on the website [www.majesticauto.in](http://www.majesticauto.in). The Key provisions of Nomination and Remuneration policy are appended as an **Annexure III** to the Board's report.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure IV** and forms an integral part of this report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

A report in the form of Management Discussion and Analysis pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as a part of this report is annexed hereto as **Annexure V**.



## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted the Corporate Social Responsibility (CSR) Committee, which has been entrusted with the responsibility of formulating and recommending CSR policy indicating the activities to be undertaken by the Company, monitoring and implementation of the framework of CSR policy and recommending the amount to be spent on CSR activities.

**During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statements of the Company.**

Annual Report on Corporate Social Responsibility [CSR] activities is appended as an **Annexure VI**.

## CORPORATE GOVERNANCE

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule V of the Companies Act, 2013, adequate steps have been taken to ensure that all the provisions relating to Corporate Governance are duly complied with. A report on Corporate Governance along with the Auditors' Certificate as a part of this report is annexed hereto as **Annexure VII**.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 and Accounting Standard - 21 on Consolidated Financial Statements read with Accounting Standard - 23 on Accounting for Investments in Associates and Accounting Standard - 27 on Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements, your Directors have the pleasure in attaching the Consolidated Financial Statements which forms a part of the Annual Report.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The company is fully compliant with applicable secretarial standards (SS) viz. SS-1 & SS-2 on Meetings of the board of directors and general meetings respectively.

## RISK MANAGEMENT AND INTERNAL ADEQUACY

The Company has adequate risk management process to identify and notify the Board of Directors about the risks or opportunities that could have an adverse impact on the Company's operations or could be exploited to maximize the gains. The processes and procedures

are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

## DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has placed a Policy to treat women employees with dignity and no discrimination against them plus zero tolerance toward any sexual abuse - to abide by letter and spirit requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules there under and redressal of complaints of sexual harassment at work place. All employees (permanent, contractual, temporary, trainees) are supposed to adhere to conduct themselves as prescribed in this policy. During the year under review no complaint of this nature was reported to the Board.

## ACKNOWLEDGEMENTS

The Board of Directors of the Company would like to express their sincere appreciation for the assistance and co-operation received from the Government authorities, workers, and executives for their contribution to the operations of the Company.

The Directors also place on record their sincere thanks to the shareholders for their support, co-operation and confidence in the management of the Company.

The Company has complied with all the mandatory requirements specified in Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards.

**For Majestic Auto Limited**

Sd/-

**Mahesh Munjal**  
Chairman

**DIN No: 00002990**

**House No: 10, Southern Avenue,**  
First Floor, Maharani Bagh,  
New Delhi,-110065

**Date : 12<sup>th</sup> August, 2019**

**Place: Noida**

## ANNEXURE – I

Form No. MR-3

(UDIN: A038674A000001633)

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**MAJESTIC AUTO LIMITED**  
C-48, Focal Point, Ludhiana, PB 141010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAJESTIC AUTO LIMITED (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of Majestic Auto Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit for the year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the Financial Year ended March 31, 2019, in accordance to the provisions of:

- I. The Companies Act, 2013 ("**the Act**") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 read with and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not Applicable to the Company during the Audit period**)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**Not Applicable to the Company during the Audit period**)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not Applicable to the Company during the Audit period**)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not Applicable to the Company during the Audit period**) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (**Not Applicable to the Company during the Audit period**).
- VI. the Company is mainly engaged in the business of Facility Management and Office Space Leasing Industry and on examination of the relevant documents and records in pursuance thereof and as confirmed by the management, we believe that no specific law applicable to the Facility Management Industries in India.

**We have also examined compliance with the applicable clauses of the following:**

- i) the Secretarial Standard formulated/ notified by The Institute of Company Secretaries of India.
- ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above **subject to the following observations:-**

1. **Due to unexpected demise of Dr. Mohamad Abdul Zahir, Non-Executive Independent Director on 8<sup>th</sup> November, 2018, vacancy occurred. Thereafter, the Company did not have requisite number of non-executive Directors including Independent Director in the Board.**
2. **Due to unexpected demise of Dr. Mohamad Abdul Zahir, Non-Executive Independent Director on 8<sup>th</sup> November, 2018, vacancy occurred for Member of Audit Committee and the Company did not have requisite number of Member in Audit Committee and Nomination and Remuneration Committee.**
3. **The Bombay Stock Exchange Limited (BSE) has imposed fine of Rupees 3,06,800/- (Three Lakh Six Thousand and Eight Hundred Rupees Only), Rupees 2,12,400/- (Two Lakh Twelve Thousand and Four Hundred Only) and Rupees 1,27,720/- (One Lakh Twenty Seven Thousand**



**Seven Hundred and Twenty Rupees Only) under Regulation 17(1), Regulation 18 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively for Quarter ended 31<sup>st</sup> March, 2019.**

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except in the 4<sup>th</sup> Quarter of the Financial year 2018-19*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period:

- 1) The Company has filed an Application for shifting of Registered office of the Company from the State of Punjab to the National Capital Territory (NCT) of Delhi.
- 2) The Company has re-appointed Mr. Ayush Munjal as Whole Time Director of the Company for a period of Three (3) years with effect from 14<sup>th</sup> August, 2018.
- 3) The Company has re-appointed Mr. Mahesh Munjal as Managing Director of the Company for a period of Three (3) years with effect from 29<sup>th</sup> October, 2018.

**For PKB & Associates,**

**Company Secretaries**  
**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**  
**Date : 23<sup>rd</sup> July, 2019**

**Sd/-**  
**Pawan Barodiya**  
**ACS No.: 38674**  
**COP No.: 14435**

**UDIN : A038674A000001633**

**Note :**

**This report is to be read with our letter of even date which is annexed as Annexure –A and forms an integral part of this report.**

## Annexure-A

To,

The Members,

**MAJESTIC AUTO LIMITED**

C-48, Focal Point, Ludhiana PB 141010

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PKB & Associates,**

**Company Secretaries**  
**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**  
**Date : 23<sup>rd</sup> July, 2019**

**Sd/-**  
**Pawan Barodiya**  
**ACS No.: 38674**  
**COP No.: 14435**

# SECRETARIAL AUDIT REPORT OF UNLISTED MATERIAL SUBSIDIARIES

## MAJESTIC IT SERVICES LIMITED

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Majestic IT Services Limited**

10 Southern Avenue First Floor,

Maharani Bagh, New Delhi South Delhi -110065

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Majestic IT Services Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. The Company is Material Un-listed Subsidiary of **M/s Majestic Auto Limited** for the period ended 31<sup>st</sup> March, 2019.

Based on our verification of Majestic IT Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit for the year ended on **March 31, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the Financial Year ended March 31, 2019, in accordance to the provisions of:

- I. The Companies Act, 2013 ("**the Act**") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 read with and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009.
- VI. the Company is mainly engaged in the business of Facility Management and Office Space Leasing Industry and on examination of the relevant documents and records in pursuance thereof and as confirmed by the management, we believe that no specific law applicable to the Facility Management Industries in India.

We have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliance under other applicable Acts, laws and Regulations which are applicable to the Company. We further report that we not reviewed the applicable financial laws (direct and indirect tax laws) since the same have been subjects to review and audit by the statutory Auditors of the Company.

We have also examined compliance with the applicable clauses of the following:

- iii) the Secretarial Standard formulated/ notified by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following: -

1. Being an Un-listed Company, the Acts referred in clause II, III, and V as mentioned above are not applicable to the Company. Further, the Acts referred in clause IV as mentioned above are not applicable to the Company for the Audit period.

2. Being an Un-listed Company, there is no listing agreement entered into by the Company with any Stock Exchange.
3. Due to unexpected demise of Dr. Mohamad Abdul Zahir on 8<sup>th</sup> November, 2018, the Company has appointed Mr. Naveen Jain as Independent Director of the Company.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- During the period, all the decisions in the Board meetings were carried out unanimously.

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

**We further report that** during the audit period:

- 1) The Company has satisfied charge of amounting of Rupees 25,00,000/- (Rupees Twenty Five Lakh) with Canara Bank.
- 2) The Company has re-appointed Ms. Aashima Munjal as Managing Director of the Company for a period of Three (3) years with effect from 12<sup>th</sup> December, 2018.
- 3) The Company has appointed Mr. Rajpal Negi as Chief Finance Officer of the Company with effect from 14<sup>th</sup> May, 2018.

**For PKB & Associates,**

**Company Secretaries**

**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**

**Date: 5<sup>th</sup> August, 2019**

**Sd/-**

**Pawan Barodiya**

**ACS No.: 38674**

**COP No.: 14435**

**UDIN: A038674A000002561**

**Note:**

**This report is to be read with our letter of even date which is annexed as Annexure –A and forms an integral part of this report.**

**Annexure -A**

To,

The Members,

**Majestic IT Services Limited**

10 Southern Avenue First Floor,

Maharani Bagh, New Delhi South Delhi -110065

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PKB & Associates,**

**Company Secretaries**

**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**

**Date : 5<sup>th</sup> August, 2019**

**Sd/-**

**Pawan Barodiya**

**ACS No.: 38674**

**COP No.: 14435**

**EMIRATES TECHNOLOGIES PRIVATE LIMITED**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Emirates Technologies Private Limited**

10 Southern Avenue First Floor,

Maharani Bagh, New Delhi South Delhi -110065

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Emirates Technologies Private Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. The Company is Material Un-listed Subsidiary of M/s Majestic Auto Limited for the period ended 31<sup>st</sup> March, 2019.

Based on our verification of Emirates Technologies Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit for the year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the Financial Year ended March 31, 2019, in accordance to the provisions of:

- I. The Companies Act, 2013 ("**the Act**") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 read with and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009.
- VI. the Company is mainly engaged in the business of Office Space Leasing Industry and on examination of the relevant documents and records in pursuance thereof and as confirmed by the management, we believe that no specific law applicable to the Office Space Leasing Industries in India.

We have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliance under other applicable Acts, laws and Regulations which are applicable to the Company. We further report that we not reviewed the applicable financial laws (direct and indirect tax laws) since the same have been subjects to review and audit by the statutory Auditors of the Company.

We have also examined compliance with the applicable clauses of the following:

- i) the Secretarial Standard formulated/ notified by The Institute of Company Secretaries of India.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following: -
1. Being an Un-listed Company, the Acts referred in clause II, III, and V as mentioned above are not applicable to the Company. Further, the Acts referred in clause IV as mentioned above are not applicable to the Company for the Audit period.
  2. Being an Un-listed Company, there is no listing agreement entered into by the Company with any Stock Exchange.
  3. Due to unexpected demise of Dr. Mohamad Abdul Zahir on 8<sup>th</sup> November, 2018, the Company has appointed Mr. Naveen Jain as Independent Director of the Company.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors of the Financial year 2018-19. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- During the period, all the decisions in the Board meetings were carried out unanimously.

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

**We further report that** during the audit period:

- 1) The Company has taken loan of amounting of Rupees 10,00,00,000/- (Rupees Ten Crore) from Mr. Mahesh Munjal (Director of the Company).
- 2) The Company has taken approval of the Board of Directors to invest the surplus funds of the Company upto an aggregate limit of Rupees 6,00,00,000/- (Rupees Six Crore).
- 3) The Company has appointed Mr. Mahesh Munjal as Managing Director of the Company without any remuneration for a period of Five (5) years with effect from 10<sup>th</sup> August, 2018.
- 4) The Company has appointed Mr. Sawan Arora as Chief Financial Officer and Mr. Kawaljeet Singh as Company Secretary of the Company with effect from 10<sup>th</sup> August, 2018.

**For PKB & Associates,**

**Company Secretaries**  
**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**

**Date : 5<sup>th</sup> August, 2019**

**Pawan Barodiya**  
**ACS No.: 38674**  
**COP No.: 14435**

**UDIN: A038674A000002572**

**Note:**

**This report is to be read with our letter of even date which is annexed as Annexure –A and forms an integral part of this report.**

## Annexure -A

To,

The Members,

**Emirates Technologies Private Limited**

10 Southern Avenue First Floor,

Maharani Bagh, New Delhi South Delhi -110065

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PKB & Associates,**

**Company Secretaries**  
**Firm Registration Number: S2015RJ312100**

**Place: New Delhi**

**Date: 5<sup>th</sup> August, 2019**

**Sd/-**  
**Pawan Barodiya**  
**ACS No.: 38674**  
**COP No.: 14435**

## ANNEXURE II

## Form No. MGT-9

## Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L35911DL1973PLC353132
2.	Registration Date	April 23, 1973
3.	Name of the Company	Majestic Auto Limited
4.	Category/Sub-category of the Company	Limited by Shares
5.	Address of the Registered office & contact details	10, Southern Avenue, Maharani Bagh, New Delhi-110065
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, Corporate Office, Alankit House, 2E/21, Anarkali Market, New Delhi-110055. Phone No.011-23541234, 42541234, Fax No.011-23552001, Email: rta@alankit.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Facility Management Services	68100	29.22%
2	Revenue from sale of Land and constructed properties	68100	70.77%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Anadi Investments Pvt. Ltd.	U67120PB1981PTC004753	Holding Company	74.61	2(46)
2.	Majestic IT Services Limited	U70109DL2009PLC196844	Subsidiary Company	100.00	2(87)
3.	Emirates Technologies Private Limited	U72900DL2004PTC183874	Subsidiary Company	80.00	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	40421	-	40421	0.39	40421	-	40421	0.39	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7757687	-	7757687	74.61	7757687	-	7757687	74.61	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>7798108</b>	<b>-</b>	<b>7798108</b>	<b>75.00</b>	<b>7798108</b>	<b>-</b>	<b>7798108</b>	<b>75.00</b>	<b>-</b>
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) other individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-Total A(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoters A=A(1)+A(2)</b>	<b>7798108</b>	-	<b>7798108</b>	<b>75.00</b>	<b>7798108</b>	-	<b>7798108</b>	<b>75.00</b>	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	2778	2778	0.03	669	2109	2778	0.03	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	2251	2251	0.02	-	2251	2251	0.02	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>5029</b>	<b>5029</b>	<b>0.05</b>	<b>669</b>	<b>4360</b>	<b>5029</b>	<b>0.05</b>	<b>-</b>
<b>2.Non- Institutions</b>									
a) Bodies Corp.									
Indian	253450	4021	257471	2.48	194386	4021	198407	1.91	(0.57)
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share Capital upto Rs. 2 lakh	1397459	154716	1552175	14.93	1441358	139790	1581148	15.21	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	691502	-	691502	6.65	708201	-	708201	6.81	0.16
c) Others									
Non Resident Indians	14666	766	15432	0.15	23801	766	24567	0.24	0.09
Clearing Members	13373	-	13373	0.13	10092	-	10092	0.10	(0.03)
Trusts	-	95	95	0.00	-	95	95	0.00	-
HUF	64293	-	64293	0.62	71831	-	71831	0.69	0.07
<b>Sub-total (B)(2)</b>	<b>2434743</b>	<b>159598</b>	<b>2594341</b>	<b>24.95</b>	<b>2449669</b>	<b>144672</b>	<b>2594341</b>	<b>24.95</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2434743</b>	<b>164627</b>	<b>2599370</b>	<b>25.00</b>	<b>2450338</b>	<b>149032</b>	<b>2599370</b>	<b>25.00</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10232851</b>	<b>164627</b>	<b>10397478</b>	<b>100.00</b>	<b>10248446</b>	<b>149032</b>	<b>10397478</b>	<b>100</b>	<b>-</b>

**B) Shareholding of Promoters-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anadi Investments Pvt. Ltd.	7757687	74.61	-	7757687	74.61	-	-
2	Renuka Munjal	40421	0.39	-	40421	0.39	-	-

**C) Change in Promoters' Shareholding (please specify, if there is no change) – No Change**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	At the beginning of the year	7798108	75%	7798108	75%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	7798108	75%	7798108	75%

**D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in shareholding	Cumulative shareholding during the Year		No. of shares held at the end of the year i.e. 31.03.2019	
		No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Anil Kumar Goel	220000	2.12	12.10.2018 25.01.2019	1000 (21000)	221000 200000	2.13 1.92	200000	1.92
2	Dipak Kanayalal Shah	150000	1.44	06.07.2018 27.07.2018 24.08.2018 14.09.2018 20.09.2018 29.09.2018 12.10.2018 19.10.2018 26.10.2018 09.11.2018 30.11.2018 14.10.2018 25.01.2019 15.02.2019	985 130 2000 300 500 85 200 500 500 300 1000 500 3000 1000	150985 151115 153115 153415 153915 154000 154200 154700 155200 155500 156500 157000 160000 161000	1.45 1.45 1.47 1.48 1.48 1.48 1.48 1.49 1.49 1.50 1.51 1.51 1.54 1.55	161000	1.55
3	Vanaja Sundar Iyer	102486	0.99	13.04.2018 20.04.2018 20.09.2018 29.09.2018	12148 15594 (1807) (1122)	114634 130228 128421 127299	1.10 1.25 1.24 1.22	127299	1.22
4	Divyesh Ashok Kumar Vakharia	Nil	Nil	25.01.2019 08.02.2019 15.02.2019 01.03.2019 08.03.2019 15.03.2019 29.03.2019	33000 900 3900 2500 (960) (640) (630)	33000 33900 37800 40300 39340 38700 38070	0.32 0.33 0.36 0.39 0.38 0.37 0.37	38070	0.37
5	Amit Jain	50004	0.48	18.01.2019 25.01.2019	(6757) (6065)	43247 37182	0.42 0.36	37182	0.36
6	Mahendra Girdharilal	32290	0.31	-	-	32290	0.31	32290	0.36
7	Majestic Auto Ltd Unclaimed Suspense A/C	30607	0.29	-	-	30607	0.29	30607	0.29
8	Rowenta Networks Private Limited	18475	0.18	06.04.2018 13.04.2018 20.04.2018 27.04.2018 18.05.2018	469 468 2085 2310 465	18944 19412 21497 23807 24272	0.18 0.19 0.21 0.23 0.23	24272	0.23



S. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in shareholding	Cumulative shareholding during the Year		No. of shares held at the end of the year i.e. 31.03.2019	
		No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9	G Shankar	30200	0.29	20.04.2018	(1900)	28300	0.27	23241	0.22
				27.04.2018	(2274)	26026	0.25		
				22.06.2018	3535	29561	0.28		
				29.06.2018	2400	31961	0.31		
				06.07.2018	200	32161	0.31		
				13.07.2018	2844	35005	0.34		
				20.07.2018	800	35805	0.34		
				27.07.2018	50	35855	0.34		
				03.08.2018	4596	40451	0.39		
				10.08.2018	2577	43028	0.41		
				17.08.2018	2090	45118	0.43		
				24.08.2018	1371	46489	0.45		
				30.08.2018	3350	49839	0.48		
				07.09.2018	2300	52139	0.50		
				14.09.2018	1500	53639	0.52		
				20.09.2018	2000	55639	0.53		
				12.10.2018	300	55939	0.54		
				19.10.2018	300	56239	0.54		
				02.11.2018	723	56962	0.55		
				21.12.2018	233	57195	0.55		
				18.01.2019	(2195)	55000	0.53		
				25.01.2019	(9362)	45638	0.44		
				01.02.2019	(6108)	39530	0.38		
				08.02.2019	(2170)	37360	0.36		
				15.02.2019	(833)	36527	0.35		
				22.02.2019	(2418)	34109	0.33		
				01.03.2019	(909)	33200	0.32		
				08.03.2019	(2065)	31135	0.30		
				15.03.2019	(861)	30274	0.30		
				29.03.2019	(6304)	23970	0.23		
10	Sachidanand Madan	23241	0.22	-	-	23241	0.22	23241	0.22

## E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of Directors and Key Managerial Personnel AT THE BEGINNING OF THE YEAR	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / Transfer/ bonus/ sweat equity etc.):	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-

- No Director or KMP held any share of the Company during the financial year 2018-19

## V. INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs in Lacs)				
Indebtedness at the beginning of the financial year	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	9532.14	1153.28	-	10685.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9532.14</b>	<b>1153.28</b>	-	<b>10685.42</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	7896.94	466.56	-	8363.50
Reduction	(10758.26)	(1619.85)	-	(12378.11)
<b>Net Change</b>	<b>(2861.32)</b>	<b>(1153.28)</b>	-	<b>(4014.60)</b>

Indebtedness at the beginning of the financial year	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6670.82	-	-	6670.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6670.82</b>	<b>-</b>	<b>-</b>	<b>6670.82</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**(Rs. In Lacs)**

Sr. No.	Particulars of Remuneration	Mahesh Munjal (Managing Director)	Aayush Munjal (Whole Time Director)	Aashima Munjal (Whole Time Director)	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96.24	36.37	-	132.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.18	0.01	-	17.19
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit Others specify...	-	-	-	-
5.	Others, please specify PF & Superannuation Fund	-	-	-	-
	<b>TOTAL</b>	<b>113.42</b>	<b>36.38</b>	<b>-</b>	<b>149.80</b>

**B. Remuneration to other directors**
**(Rs. In Lacs)**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		*M.A. Zahir	S. S. Khosla	Vikas Nanda	*Naveen Jain	
1.	Independent Directors					
	Fee for attending board /committee meetings	0.35	0.30	0.58	0.48	1.70
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.35</b>	<b>0.30</b>	<b>0.58</b>	<b>0.48</b>	<b>1.70</b>
2.	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.35</b>	<b>0.30</b>	<b>0.58</b>	<b>0.48</b>	<b>1.70</b>
	<b>Total Managerial Remuneration</b>					<b>-</b>
	<b>Overall Ceiling as per the Act</b>					<b>-</b>

\* Dr. M.A. Zahir ceases to be Director of the Company w.e.f. November 08, 2018 and Mr. Naveen Jain was appointed as Additional Independent Director of the Company w.e.f. January 15, 2019

**C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD**
**(Rs. In Lacs)**

Sr. No.	Particulars of Remuneration	Juhi Garg (Company Secretary)	Rajpal Negi (CFO)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.70	9.36	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commissions % of profit Others, specify...	-	-	-

Sr. No.	Particulars of Remuneration	Juhi Garg (Company Secretary)	Rajpal Negi (CFO)	Total Amount
5.	Others, please specify PF & Superannuation Fund	-	-	-
	<b>TOTAL</b>	<b>5.70</b>	<b>9.36</b>	<b>-</b>

- Ms. Juhi Garg, Company Secretary and Mr. Rajpal Negi, Chief Financial Officer of the Company are receiving remuneration from Majestic IT Services Limited (WOS of the Company).

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT/ COURT]	Appeal made, If any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For Majestic Auto Limited

Sd/-  
 Mahesh Munjal  
**Chairman**  
 DIN: 00002990  
 10 Southern Avenue,  
 First Floor, Maharani Bagh,  
 New Delhi,-110065

# ANNEXURE III

## NOMINATION AND REMUNERATION POLICY

### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- iii. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi. To devise a policy on Board diversity
- vii. To develop a succession plan for the Board and to regularly review the plan;

### 2. ROLE OF COMMITTEE

- i. Matters to be dealt with, pursued and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- ii. Policy for appointment and removal of Director, KMP and Senior Management. Appointment criteria and qualifications are listed below:
  - The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  - A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  - The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Note:** The detailed Nomination & Remuneration policy of the company is uploaded at the website of the company at the following link: [http://majesticauto.in/cwd\\_hero/images/files/33869752\\_213\\_.pdf](http://majesticauto.in/cwd_hero/images/files/33869752_213_.pdf)

## Annexure IV

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name of Directors/KMP and designation	The Ratio of the remuneration of Executive Director to the median remuneration of the employees of the company for the financial year.	The percentage increase/decrease in remuneration of each executive director and KMP in the financial year.
Mahesh Munjal, (Managing Director)	54.3:1	(0.56)%
Aayush Munjal, (Whole time Director)	17.4:1	15%
Juhi Garg (Company Secretary)	2.7:1	-
Rajpal Negi, (Chief Financial Officer)	4.4:1	-

**Note:**

- i. The Non- Executive independent Directors are paid only sitting fees for attending the meetings of the Board and its Committees. The Non- Executive (non- independent) Directors of the Company do not receive any remuneration from the Company. The ratio of remuneration and percentage increase in remuneration of these directors is therefore not considered for the above\*MRE-Median Remuneration of Employee based on annualized salary
  - ii. In the financial year, there was an decrease of 45% in the median remuneration of employees;
  - iii. There were 23 permanent employees on the rolls of the Company as on March 31, 2019.
  - iv. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
2. (i) Employed throughout the Financial year and were in receipt of remuneration at the rate of not less than Rs. 1,02,00,000 per annum

Name of Employee	Designation of the employee	Remuneration Received in 2017-18 (Rs.in lac)	Qualification	Experience (No. of Years)	Date of Commencement Of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Sh. Mahesh Munjal	Managing Director	113.42	B.S.C. M.B.A.	38	29.06.1993	65	Munjal Auto Industries Ltd.	Nil

- (ii) Employed for a part of the financial year and separated, were in receipt of remuneration not less than Rs. 8.50 lac per month - Nil.



# Annexure V

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMIC OVERVIEW

The Indian economy continued to exhibit steady growth and remained among the fastest growing emerging economies, with a focus on the continued implementation of structural and financial sector reforms and efforts to reduce the public debt.

The Central Bank continuously eased the monetary policy following recent cuts in the interest rates. However, full benefits are yet to be transmitted to the industry, which may lead to increased investments. Strong measures are being implemented to strengthen the country's financial sector (especially banks) through the accelerated resolution of non-performing assets under a simplified bankruptcy framework.

The benefits of recent structural reforms like demonetization, GST and ongoing bank recapitalization would enhance economic stability.

Global growth expectation has softened to 3.3% for 2019 with the consideration of short term civil, political and trade uncertainties across many countries. Advanced economies are likely to grow at a gradually slower clip while emerging/developing markets are likely to grow at about 5% and be a large component of global growth.

Crude oil prices remained volatile, reflecting an evolution in demand-supply conditions underpinned by OPEC's production stance, rising shale output, weakening global demand and geo-political concerns. The strengthening of the US dollar led to weakening gold prices; however gold prices picked up in May 2019 on escalating trade tensions, reviving its demand as a safe haven asset. Inflation remained below the target in several economies.

Turning to the domestic economy, GDP growth for 2018-19 has been estimated at 6.8%. Gross fixed capital formation growth has declined sharply to 3.6%, after having been previously in the double-digits. Private consumption growth moderated. However, the overall slowdown in growth was cushioned by a large increase in the government's final consumption expenditure.

Reserve Bank of India has estimated GDP growth for 2019-20 at 7% in the range of 6.4-6.7% in the first half of the fiscal and 7.2-7.5% in the second half of the fiscal.

Two structural issues, income inequality and jobless growth, when resolved, could catapult economic activity and domestic consumption in the long run.

### THE INDIAN REAL ESTATE SECTOR

The Indian real estate sector witnessed a slew of structural transformations led by Real Estate (Regulation and Development) Act, 2016 (RERA), Demonetization and GST. In the near-term, these measures generated sectoral tailwinds, which are expected to increase transparency and confidence in the sector.

According to reports, India's real estate sector is expected to grow to US\$ 1 trillion by 2030, accounting for nearly 13% of the country's GDP. The catalysts for this growth can be attributed to rapid urbanization, increasing emergence of nuclear families and rising household incomes.

The country's commercial realty segment, however continues to enjoy increased capital flows. The sector also witnessed the advent of new niche markets comprising co-working spaces, warehousing, student housing and senior living.

The launch of Real Estate Investment Trusts (REITs) in India has helped institutionalize the commercial sector, empowering developers

to mobilize patient long term capital to catalyze growth across the coming decade. According to a JLL report, institutional investments during the 2014-18 period doubled from US\$ 9.4 billion to almost US\$ 20.3 billion compared to the 2009-2013 period.

### OFFICE SEGMENT

The Country's commercial realty segment reported strong growth. Capital inflows validated confidence in the country's growth sector. As per reports, India's grade A office space offering stood at a substantial 49.26 million square meter (msm) [530msf] and likely to surpass the previous benchmark of 65.06 msm (700msf).

India's office space absorption is expected to rise gradually across the near to medium term owing to robust economic fundamentals and a positive investor sentiment.

The commercial office space is marked by evolving occupier trends, mostly driven by a rise in co-working demand. Co-working spaces no longer address only start-ups and SME's rather a substantial demand emanating from large mainstream corporates. The principal drivers of co-working spaces comprise savings in upfront operational costs and a flexibility in scaling or downsizing requirements. This trend is also helping developers in launching small office spaces and widening the tenant mix. Besides, quality standards in commercial offices are rising, marked by increased safety, sustainability and wellness as demanded by multinational tenants and space owners.

### BUSINESS & FINANCIAL PERFORMANCE

During the Financial year, your company reported revenue of Rs. 91 Cr and the Consolidated revenue of Rs. 127 Cr.

Also, company sold some part of the land bank for Rs. 57 Cr(approx.)

### REVIEW OF OPERATIONS

Your company's business primarily focuses on the development and lease of Office Space and its facility management. These two involves a series of activities like acquisition of building/land, obtaining approvals, project planning from execution to launch, refurbishing, sales & marketing and finally leasing.

#### Lease Business

Your Company's lease business is done through its subsidiary **Emirates Technologies Private Limited** which involves leasing of its developed offices and retail properties. One of the key objectives of its lease business is to achieve returns from investments in its portfolio properties within a targeted timeframe. Another key objective is to achieve high occupancy rates for the leased portfolio properties. The utilities and facilities management business supports and complements the lease business.

As at 31<sup>st</sup> March 2019, your company's lease business comprised completed offices with leasable area of approximately 6,06,712/-square feet.

#### Offices Segment

As at 31 March 2019, the occupancy rate for your Company's leased offices portfolio was approximately 93%.

#### Facility Management Business

Your company's Facility management business is done through the holding Company **Majestic Auto Limited** which involves support services for the building owned by subsidiary company Emirates

Technologies Private Limited at Sector-62, Noida.

FM covers these two main areas: 'Space & Infrastructure' (such as planning, design, workplace, construction, lease, occupancy, maintenance and furniture) and 'People & Organisation' (such as catering, cleaning, [ICT](#), [HR](#), accounting, marketing, hospitality).

## STRATEGY

The business strategy remains focused on the following key pillars:

a) Loss from Discontinued Operations:

Your company continues to pay the loss incurred from the discontinued manufacturing operations and the strategy forward

is to incur profits in terms of revenue. Post the transition in the Leasing & Facility Management business, we believe that this will attain a healthy position for the company.

b) Reduce Debt:

The company has an objective of reduce the debt and the finance cost associated with it for attaining a good gearing ratio by reducing the cost and terming out the principal payments.

c) Growth of Facility management business

Given the expected demand momentum, the company strongly believes that this segment is riding on a high tide and the time is to reap benefits out of it.

## Annexure VI

## Annual Report on Corporate Social Responsibility (CSR)

Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 and 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.  
CSR Policy is stated in the below mentioned web link:  
[http://www.majesticauto.in/cwd\\_hero/images/files/48738849\\_110\\_.pdf](http://www.majesticauto.in/cwd_hero/images/files/48738849_110_.pdf)
2. Composition of CSR Committee:
  - Sh. Mahesh Munjal, Managing Director, Chairman
  - Mr. Vikas Nanda, Independent Director, Member
  - Ms. Aashima Munjal, Joint Managing Director, Member
3. Average net profit of the company for last three financial years (Rs.in lac)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) NIL
5. Details of CSR spent during the financial year.
  - Total amount spent for the financial year; **NIL**
  - Amount unspent, if any; **N.A.**
  - Manner in which the amount spent during the financial year:
7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **N.A.**
8. The CSR Committee do hereby undertakes that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

	YEAR ENDED			
Particulars	31.03.2019	31.03.2018	31.03.2017	Average
Net Profit	Nil	Nil	Nil	Nil

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Place:

Date :

(Mahesh Munjal)  
Managing Director & Chairman



## Annexure - VII

### CORPORATE GOVERNANCE REPORT

#### I. Company's Philosophy on the Code of Governance.

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all stake holders. The Company seeks to achieve the goal by ensuring timely and accurate disclosures are made in an easily understood manner on all matters relating to the financial situation, performance, ownership and governance of the Company.

The Company is committed to ensure that all the stakeholder's interests are protected by continuously striving to increase the efficiency of the operations as well as the systems and processes for use of corporate resources. The Company aims at achieving not only the highest possible standard of legal and regulatory compliances, but also of effective management. We believe in a Board of appropriate size, composition and commitment to adequate discharge its responsibilities and duties.

Company views Corporate Governance as more than just regulatory requirements as it believe there exists a fundamental link between the Company and the society. Our corporate governance framework ensures that we make timely disclosures and share information about our financials and performance as well as business of the Company. Given below is brief report on the practices followed by the Majestic Auto Limited ("the Company") towards achievement of Good Corporate Governance.

#### AI. Board of Directors

The business of the Company is managed by the Board of Directors. The Board formulates the strategy and regularly

reviews the performance of the Company. The composition of the Board of your Company was not in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2019 because of the sudden and sad and unexpected demise of Dr. M.A. Zahir, Independent Director of the Company, he was on the board of company since 2009 and was actively involved in the affairs and decisions leading to progress of the company. But as on date of the this report the composition of the Board of your Company is in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board comprises of 4 (four) Directors being non-executive Independent Directors, one Managing Director and two Whole Time Directors including one Women Director. Based on the confirmation/ disclosures received from the Directors of the Companies none of the Directors on the Board of more than twenty (20) Companies or a Director in more than ten (10) public companies or holds memberships in committees of the Board in more than ten (10) committees or chairmanship of more than five (5) committees.

During the financial year 2018-19 four Board Meetings were held on May 14, 2018, August 10, 2018, October 30, 2018 and January 15, 2019. Board Members were given agenda papers along with necessary documents and information in advance of each Board and other committee meetings.

The composition of the Board of Directors, attendance at the Board Meetings, attendance at last Annual General Meeting of the Company and the details of Directors of the Company having directorship in other companies, membership / chairmanship of committees across all companies in which they are directors during the financial year 2018-19 are given below :

Sl. No.	Name of the Director (DIN)	No. of Board meetings attended	Attendance at Last AGM	Total number of Committee Membership Held	Total number of Committee Chairmanship Held	Number of other Directorship held
				(excluding Private Companies, Foreign Companies & Section 8 Companies)		
	<b>Executive Directors</b>					
1.	Mr. Mahesh Munjal (Managing Director)	4	Yes	2	-	2
2.	Mr. Aayush Munjal (Whole Time Director)	4	Yes	-	-	1
3.	Ms. Ashima Munjal (Whole Time Director)	4	Yes	2	-	2
	<b>Non-Executive and Independent Directors</b>					
4.	Dr. M. A. Zahir	2	No	4	4	6
5.	Maj. Shavinder Singh Khosla	2	No	2	1	-
6.	Mr. Vikas Nanda	3	Yes	7	4	3
7.	Mr. Naveen Jain	3	No	8	2	7

- Mr. Naveen Jain was appointed as Additional Independent Director pursuant to the section 161 of the Companies Act, 2013 with effect from August 10, 2018.
  - Mr. Shavinder Singh Khosla has resigned from the post of Independent Director w.e.f. August 10, 2018.
  - Dr. M.A. Zahir cease to be Director of the Company w.e.f. November 08, 2018 due to sad & sudden demise.
  - Mr. S.L. Mohan has been appointed as Additional Independent Director of the Company w.e.f. April 18, 2019
  - Mr. Anil Kumar Sharma Mohan has been appointed as Additional Independent Director of the Company w.e.f. August 12, 2019
- A. Independent Directors have no pecuniary relationship with other Directors of the Company. None of the Director of the Company is related to each other except Ms. Aashima Munjal, daughter and Mr. Aayush Munjal is son of Mr. Mahesh Munjal,

who is the Chairman and Managing Director of the Company. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees. None of the Directors on the Board serve as Independent Director in more than seven listed companies. The Company did not advance loan to any of its Director during Financial Year 2018-19

- B. There is no pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company. The non-executive directors are paid sitting fees for attending the Board and committee meetings.
- C. None of the present Directors hold any shares (in his own name or on behalf of other person on beneficial basis) in the Company.

### DETAILS OF BOARD MEETING HELD DURING THE FINANCIAL YEAR 2018-19

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	14.05.2018	6	5
2.	10.08.2018	6	6
3.	30.10.2018	6	5
4.	15.01.2019	5	5

### INDEPENDENT DIRECTORS CONFIRMATION & NUMBER OF INDEPENDENT DIRECTORSHIP

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations.

The number of Directorship, Committee Membership(s) of all the Directors is within respective limit prescribed under the Companies Act, 2013 and listing regulations.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Discloser Requirements) Regulations 2015, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the board and its Committees, board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter-alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgment etc.

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliance required from him / her under the Companies Act, 2013 and SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as Director of the Company.

### INFORMATION SUPPLIED TO THE BOARD

Board members are given agenda along with necessary documents and information in advance of each meeting of the Board and

Committee(s) also the information as required to be placed before the Board in terms of Regulation 17(7) of the SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015.

### CODE OF CONDUCT

The Company has adopted a "Code of Conduct" for all Board members and senior management of the Company. The code of conduct is available on the website of the Company [www.majesticauto.in](http://www.majesticauto.in). All Board members and senior management have affirmed compliance with the Code of Conduct. The declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this report.

### CEO/CFO Certification

In terms of Regulation 17(8) and Part -B of Schedule II of the LODR, CMD and the CFO of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2019.

### RISK MANAGEMENT

The Company has established an effective risk assessment and minimization procedures, which are reviewed by the Board periodically. There is a structure in place to identify and mitigate various risks faced by the Company from time to time. New risks are identified, and after their assessment their controls are designed, put in place with specific responsibility of the concerned person for its timely achievement.

### BI. Audit Committee

The power, role and terms of reference of the Audit Committee includes inter alia oversight of the Company's financial reporting process, internal financial control system, reviewing the adequacy of internal audit function, reviewing with management the quarterly/ annual financial statements before submitting to the Board, recommendation of appointment of auditors and approval of related party transactions etc., besides other terms as may be referred by the Board of Directors.

In the financial Year ended 31st March, 2019, four meetings of Audit committee were held on May 14, 2018, August 10, 2018, October 30, 2018 and January 15, 2019. The Composition of the Audit Committee and attendance record of members of the Audit Committee for the financial year 2018-19 is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. Vikas Nanda (Chairman)	(Non-Executive and Independent Director)	3
Dr. M. A. Zahir	(Non-Executive and Independent Director)	2
Maj. Shavinder Singh Khosla	(Non-Executive and Independent Director)	2
Mr. Naveen Jain	(Non-Executive and Independent Director)	2

The Company Secretary acts as the Secretary of the Audit Committee. The Managing Director, Finance Head, Internal Auditors, and Statutory Auditors attend the Audit Committee meetings.

The genesis of Majestic Auto Limited's Audit Committee can be traced back to the Audit Sub-Committee, constituted in 1994. Since then it has been dealing with matters prescribed by the Board of Directors on a case by case basis. The nomenclature, constitution and terms of reference of the Audit Committee has been set up as per the provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on date of this report, the Committee has three Non-Executive Independent Directors consisting of Mr. Vikas Nanda (Chairman), Mr. Naveen Jain (Member) and Mr. S.L. Mohan (Member) in accordance with the prescribed guidelines. All the members have sound knowledge in the field of finance, accounting and law.

#### IV. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the terms of reference includes following namely formulation of criteria for determining the qualification, positive attributes and independence of a director and recommending to the Board a policy relating to remuneration of the directors, key managerial personnel and other employee etc.

During this financial year one (1) Nomination and Remuneration Committee meeting was held. The details of meeting of the Nomination and Remuneration Committee for the financial year 2018-19 is as under:

Director	Category	No of Remuneration Committee meeting Attended
Mr. Vikas Nanda	Non-Executive and Independent Director	1
Maj. Shavinder Singh Khosla	Non-Executive and Independent Director	1
Dr. M. A. Zahir	Non-Executive and Independent Director	1

The Nomination and Remuneration Committee was set up to review and recommend the payment of salaries, commission, execution of service agreements and other employment conditions for Executive Director(s) / Managing Director(s) and senior management of the Company. The Committee while approving the remuneration takes into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration etc. and brings about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders. All the members of the Committee are Non-executive Independent Directors. The members of the Committee are persons of repute and have sound knowledge of management practices. The power and role of the Remuneration Committee is as per Section 178 of the Companies Act, 2013 and

regulation set out under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on date of this report, the Committee has three Non-Executive Independent Directors consisting of Mr. Naveen Jain (Chairman), Mr. Vikas Nanda (Member) and Mr. S.L. Mohan (Member).

#### REMUNERATION POLICY:

The Managing Director is paid remuneration recommended by remuneration committee and approved by the Board of Directors & Shareholders. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure comprises of basic salary, perquisites and allowances, contribution to provident fund and other funds.

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of Managing Director, the payment of salary, perquisites and other allowances is restricted to the amount as per terms of Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for the meeting of the Board and Committees thereof attended by them.

- A) The details of remuneration paid to Directors for the Financial Year 2018-19 are furnished below (Managing Director and Whole Time Director):

(Rs. In Lacs)			
Name	Salary and other perquisites	Commission	Total
Maresh Munjal (Managing Director)	113.42	-	113.42
Aayush Munjal (Whole Time Director)	36.38	-	36.38
<b>Total</b>	<b>149.80</b>	<b>-</b>	<b>149.80</b>

#### NOTES:

- Re-appointment of Mr. Maresh Munjal, Managing Director of the Company for a period of 3 years w.e.f. October 29, 2018 was approved by the members of the Company in the previous Annual General Meeting held on September 28, 2018 by way of passing a special resolution.
- Re-appointment of Mr. Aayush Munjal, Whole Time Director of the Company for a period of 3 years w.e.f. August 14, 2018 was approved by the members of the Company in the previous Annual General Meeting held on September 28, 2018 by way of passing a special resolution.
- The Company has appointed Ms. Aashima Munjal as Joint Managing Director of the company with effect from 01.10.2016 for five years which will be completed on 30.09.2021
- B) The details of the sitting fees paid to the Non-Executive Directors of the Company during the financial year 2018-19 are given below:



Particulars of Remuneration	Name of Directors				Total Amount
	M.A. Zahir	S. S. Khosla	Vikas Nanda	Naveen Jain	
Independent Directors					
Sitting fees	0.35	0.30	0.58	0.48	1.70
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total</b>	<b>0.35</b>	<b>0.30</b>	<b>0.58</b>	<b>0.48</b>	<b>1.70</b>

#### V. Shareholders/Investors' Grievance Committee

The Committee has been constituted to specifically redress the grievances of Shareholders and Investors pertaining to shares sent for transfer, non-receipt of dividends, dematerialization and other allied matters. During the financial year, two meeting

of this committee were held on September 28, 2018 and January 15, 2019 to review the status of shareholder's complaints and other letters received from other authorities. The Composition and attendance record of members of the Shareholders and Investors' Grievance Committee is as under:-

Name of the Director	Category	No. of Shareholders/Investors' Grievance Committee Meetings Attended
Mr. Vikas Nanda	Chairman	2
Mr. Mahesh Munjal	Member	2
Ms. Ashima Munjal	Member	2

The Company Secretary of the Company also acts as the secretary of the shareholder grievance committee. To redress the investor grievances the Company has a dedicated e-mail id i.e. [grievance@majesticauto.in](mailto:grievance@majesticauto.in) for the purpose of registering complaints by the investors.

#### Name, designation and address of the Compliance Officer

Ms. Juhi Garg  
(Company Secretary & Compliance Officer)  
Corporate Office: Majestic Auto Limited, A-110, Noida Sector-4, UP-201301

with the requirements of Section 135 of the Companies Act, 2013.

#### The members of the CSR committee are:

Name of the Director	Category
Mr. Vikas Nanda	Independent Director
Mr. Mahesh Munjal	Member
Ms. Aashima Munjal	Member

During the financial year no meeting was held.

#### VI. Corporate Social Responsibility (CSR) Committee

Majestic Auto has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance

#### VII. Independent Directors Committee

During the Financial Year ended 31st March, 2019, one meeting of committee was held on February 15, 2019. The Composition of the Committee and attendance record of members for the financial year 2018-19 is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. Vikas Nanda	(Non Executive and Independent Director)	1
Dr. M. A. Zahir	(Non Executive and Independent Director)	N.A
Mr. Naveen Jain	(Non Executive and Independent Director)	1
Mr. S.L. Mohan	(Non Executive and Independent Director)	N.A
Mr. Anil Kumar Sharma	(Non Executive and Independent Director)	N.A

- Dr. M.A. Zahir cease to be Director of the Company w.e.f. November 08, 2018 due to sad & sudden demise.
- Mr. S.L. Mohan has been appointed as Additional Independent Director of the Company w.e.f. April 18, 2019

The details of familiarization programme for Independent Directors are available on the Company's website and the weblink [www.Majesticauto.in/investors/corporate governance /familiarization programme for Independent Directors](http://www.Majesticauto.in/investors/corporate%20governance/familiarization%20programme%20for%20Independent%20Directors).

- Mr. Anil Kumar Sharma Mohan has been appointed as Additional Independent Director of the Company w.e.f. August 12, 2019

There has been no such instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2018-19.

#### VIII. General Body Meetings

Details of Annual / Extraordinary General Meetings Location, date and time of General Meetings held during the last three years and Special Resolutions passed there at are given below:

#### (i) Annual General Meetings

Year	Location	Date	Time	Special Resolutions Passed
2015-16	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 30, 2016	11.00 A.M.	-Appointment of Joint Managing Director U/s 196,197 and 203. - Change in Articles of Associations of the Company U/s 14.
2016-17	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 29, 2017	11.00 A.M.	-



Year	Location	Date	Time	Special Resolutions Passed
2017-18	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 28, 2018	11.00 A.M.	-Appointment of Mr. Aayush Munjal as Whole Time Director -Appointment of Mr. Mahesh Munjal as Managing Director -Shifting of Registered Office of the Company from the state of Punjab to NCT of Delhi

**(ii) Extraordinary General Meeting:**

No Extraordinary General Meeting of the Members was held during the year 2018-19.

**(iii) Postal Ballot:**

During the year under review, no special resolution was passed/proposed to be passed through postal ballot

**IX. Disclosures**

1. Related parties and transactions with them as required under Accounting Standard 18 (AS-18)/ Ind-AS are furnished under Notes to the Accounts attached with the financial statements for the year ended March 31, 2019. The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the Company where they and/or their relatives have personal interest.

There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large. There are no material individual transactions with related parties, which are not in the normal course of business and which are not on an arm's length basis.

The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.

Pursuant to the regulations of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015 Managing Directors and CFO has issued a certificate to the Board enclose for the Financial Year ended March 31, 2019.

2. The company has a Whistle Blower Policy in place for employees to report concerns about unethical behavior. No personnel have been denied to approach the Management or the Audit Committee on any issue.
3. That the composition of Company's board was always as per the SEBI (LODR) Regulations, 2015, but Dr. M.A. Zahir, Non-Executive Independent Director of the company expired on 8th November, 2018, due to which vacancy arises in our company's board. The death was sudden and unexpected and company was not prepared for that and in order to meet the requirements of SEBI (LODR) Regulations, 2015 and filling the vacancy, the process of screening several candidates and finding the best fit for our organization took more than the expected time and the appointment of Non-Executive Independent Director got delayed due to unavoidable circumstances.

Details of non-compliances and penalties imposed on the Company by Bombay Stock Exchange Ltd. (BSE) are as follows:

Details of Non Compliance	*Details of penalties imposed by Bombay Stock Exchange Ltd
Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	BSE imposed fine of Rupees 3,06,800/- (Three Lakh Six Thousand and Eight Hundred Rupees Only) for Qtr, ended 31st March, 2019.
Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	BSE imposed fine of Rupees 2,12,400/- (Two Lakh Twelve Thousand and Four Hundred Only) for Qtr, ended 31st March, 2019.
Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	BSE imposed fine of Rupees 1,27,720/- (One Lakh Twenty Seven Thousand Seven Hundred and Twenty Rupees Only) for Qtr, ended 31st March, 2019.

\* This is to be noted that Company has been meticulous in doing all the compliances till date and this event happened due to some unavoidable circumstances for the management of the company. Also, company has requested the BSE to waive off the penalty and the matter is with the waiver committee of BSE.

4. In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its directors, management, staff and relevant business associates. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on consequences of non-compliances.

and company is also filing information's through BSE website at [www.listing.bseindia.com](http://www.listing.bseindia.com)

3. Management Discussion and Analysis report which forms a part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

**XI. General Shareholders Information**

1. Annual General Meeting will be held on Saturday, 28<sup>th</sup> September, 2019, at 11.00 A.M. at Lakshmiapat Singhania Auditorium, PhD. Chamber of Commerce and Industry, PhD. House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016.
2. **For the year ended March 31, 2019, Results were announced on :**

First quarter ended June 30, 2018	August 10, 2018
Second quarter ended September 30, 2018	October 30, 2018
Third quarter ended December 31, 2018	January 15, 2019
Fourth quarter ended March 31, 2019	April 18, 2019

**X. Means of Communication**

1. The Company has regularly sent immediately, by authorized mode, the annual audited as well as quarterly unaudited results to the Stock Exchange, after they are taken on record by the Board of Directors.
2. The Company's quarterly and annual results have been published in English and Punjabi, Newspapers viz. The Financial Express (all India edition) and Desh Sewak respectively and have also been displayed on Company's website at [www.majesticauto.in](http://www.majesticauto.in)

**3. For the Year ending March 31, 2020, Results will be announced on (Tentative and subject to change)**

First quarter results (June 30, 2019)	August 12, 2019
Second quarter / half year results (Sept. 30, 2019)	Last week of Oct. 2019
Third quarter results (Dec. 31, 2019)	Last week of Jan. 2020
Fourth quarter and year ending (March 31, 2020)	First week of May, 2020
Annual General Meeting for the year ended March 31, 2020	September, 2020

**4. Dates of book closure:**

The dates of book closures are from September 21, 2019 to September 28, 2019 (both days inclusive).

**5. Face Value of the Equity Share is Rs. 10 per share**
**6. Dividend**

The Board did not declare and recommend any dividend for the year ended March 31, 2019

**7. Listing on Stock Exchange Stock Exchange where listed Address**

Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

Listing fees for the 2018-2019 have been paid to the Bombay Stock Exchange Limited, Mumbai within the stipulated time.

**7. Stock Codes : 500267 at Bombay Stock Exchange Limited**
**8. DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES: INE201B01022**
**9. Market Price Data**

Monthly high and low quotations of shares traded at Bombay Stock Exchange Ltd. is given in the following tables.

Month	BSE		BSE SENSEX	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
Apr-18	177.50	137.00	35213.30	32972.56
May-18	163.70	135.25	35993.53	34302.89
June-18	149.90	121.00	35877.41	34784.68
July-18	147.70	123.15	37644.59	35106.57
Aug-18	144.00	110.00	38989.65	37128.99
Sep-18	129.50	96.20	38934.35	35985.63
Oct-18	106.85	84.25	36616.64	33291.58
Nov-18	107.45	92.20	36389.22	34303.38
Dec-18	96.00	84.40	36554.99	34426.29
Jan-18	187.80	88.50	36701.03	35375.51
Feb-18	162.95	122.20	37172.18	35287.16
Mar-18	152.95	127.00	38748.54	35926.94

**10. Registrar and Transfer Agent for securities admitted in the Depository System**

Alankit Assignment Limited

**Corporate Office:** Alankit House, 2E/21, Anarkali Market, Jhandewalan Extension, New Delhi 110 055. Phones (011) 23541234, 42541234,

Fax (011) 23552001, e-mail : [rta@alankit.com](mailto:rta@alankit.com)

**11. Share transfer system**

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (if in order and complete in all respect) and then returned the same to the respective

shareholders duly transferred in their names.. M/s Alankit Assignments Limited, New Delhi is the Registrar and Share Transfer Agent of the Company for both physical and electronic share transfer work of the Company. Therefore, shareholders of the Company are requested to send all shares in physical form for transfer directly to the Registrar and Transfer Agent of the Company.

**12. Investors' services**

The Company has a Board level Committee dealing with investor's issue, which has been discussed in detail earlier. The details of complaints/requests/reminders received and redressed during the year from 01.04.2018 to 31.03.2019 are given hereunder.

Sr. No.	Nature of Complaints/ Requests/Reminders	From 01.04.2018 to 31.3.2019	
		Received	Cleared
1.	Transfer & Transmisssion	37	37
2.	Change of Name, Address or Updation of Signature	10	10
3.	Unclaimed Share Certificate and POA	1	1
4.	Correction in Name	-	-
5	Loss of Certificate/ Duplicate Share	1	1
6	Old Shares for Demat	105	105
7	Updating of Bank details	87	87

The Company has attended to most of the investors grievances/ correspondence within a period of 15 days from the date of receipt of the same, during the year ended 31.03.2019.

**13. Distribution of shareholding as on March 31<sup>st</sup>, 2019**

No. of shares held (Rs.10/- paid up)	Folios		Shares of Rs.10/- paid up Value	
	Number	%	Number	%
Upto 5000	5133	98.86	1411626	1.93
5001 to 10000	28	0.54	209516	2.02
10001 to 20000	16	0.30	224571	2.16
20001 to 30000	7	0.14	164391	1.58
30001 to 40000	3	0.06	100967	0.97
40001 to 50000	1	0.02	40421	0.39
50001 to 100000	0	0	0	0
100001 to 500000	3	0.06	488299	4.70
500001 TO Above	1	0.02	7757687	74.61
<b>TOTAL</b>	<b>5192</b>	<b>100</b>	<b>10397478</b>	<b>100</b>

**14. Shareholding pattern as on March 31<sup>st</sup> 2019**

Category	Holders (No.)	No. of Equity Shares	% age
<b>Promoters</b>			
Indian Promoters	2	7798108	75
<b>Total Promoter Holding</b>	<b>2</b>	<b>7798108</b>	<b>75</b>
<b>Non Promoter Holding</b>			
Foreign Portfolio Investors	5	2251	0.02
Mutual Funds	2	2778	0.03
Indian Public	4732	2289349	22.02
<b>Others</b>			
Body Corporates	112	198407	1.91
NRI/OCBS	52	24567	0.24
Co-op.,HUF, Banks, Co-op. Societies, Trust, others	186	82018	0.78
<b>Total Non-Promoter Holding</b>	<b>5089</b>	<b>2599370</b>	<b>25</b>
<b>Grand Total</b>	<b>5091</b>	<b>10397478</b>	<b>100</b>

**15. Reconciliation of Share Capital Audit**

In keeping with the requirements of the SEBI and Stock Exchange, a Reconciliation of share capital audit report by practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued / paid-up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**16. Dematerialization of shares and liquidity**

As on 31st March, 2019, 98.56% of total Equity Share Capital i.e. 1,02,48,446

17. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

18. Details of fees paid to Statutory Auditors is given in Note No. 27 of the Financial Statements

19. The Company has not obtained any public funding in the last three years.

20. During the year under consideration, the Company has not issued any Debt instruments or securities. Therefore, no Credit Rating has been obtained by the Company.

21. Disclosures in relations to the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013 are given in the Director's Report.

22. As required by the listing regulations, a certificate is required under schedule V point 10(i) Regulation 25A of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 regarding a declaration that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company is annexed herewith as an Annexure-1

23. **Web link where policy for determining material subsidiary is disclosed:** The web link for policy of determining material subsidiary is available in the investor section of the Website of the Company viz. [www.majesticauto.in](http://www.majesticauto.in)

24. **Web link where policy for dealing with Related Party Transactions:** The web link for policy of Related Party Transactions is available in the investor section of the Website of the Company viz. [www.majesticauto.in](http://www.majesticauto.in)

**25. Company's Registered Office Address:**

10 Southern Avenue, First Floor, Maharani Bagh New Delhi-110065, Co. No.0120-4348907

**26. Corporate Identify No. (CIN): L35911DL1973PLC353132****27. Plant Locations :**

- 1) C-59, Focal Point, Ludhiana - 141010
- 2) B-6, B-7 & B-9 Ecotech I, Extension, Greater Noida

**22. Mandatory & Non-Mandatory Requirements :**

The Company has generally complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has not adopted the non-mandatory requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**23. Investors' correspondence may be addressed to:**

Ms. Juhi Garg  
Company Secretary  
A-110, Sector-4 Noida-201301  
e-mail : [grievance@majesticauto.in](mailto:grievance@majesticauto.in), [juhi.garg@mitsl.in](mailto:juhi.garg@mitsl.in)

**24. Queries Relating to the Financial Statements of the Company may be addressed to**

Mr. Rajpal Singh Negi, Chief Financial Officer  
e-mail : [accounts@majesticauto.in](mailto:accounts@majesticauto.in), [grievance@majesticauto.in](mailto:grievance@majesticauto.in)

**25. Nomination Facility:**

The Company offers facility of nomination. The facility is made available folio-wise and for the entire shares registered under the folio. The members holding shares in dematerialized form may contact and consult their respective Depository Participant (DP) for availing the nomination facility. Members holding shares in physical form may contact RTA of the Company

**X. Equity shares in Unclaimed Suspense Account**

In terms of Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, unclaimed shares as lying to the credit of "Majestic Auto Ltd. Unclaimed Securities Suspense Account" at the end of the year are as follows:

Particulars	No. of Shareholders	No. of Shares
Balance at the beginning of the year	249	30,607
Addition made during the year	Nil	Nil
Total	249	30,607
'Shareholders who approached Company for transfer of shares from suspense Account during the year	-	-
Shareholders to whom shares were transferred from suspense account during the year	1	47
Balance at the end of the year	249	30,607

The shareholders who have not received the shares may approach the Company or M/s Alankit Assignments Limited, the Registrar and Transfer Agents of the Company, with their correct particulars and proof of their identity for crediting of the Shares from the Unclaimed Securities Suspense Account to their individual demat Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.



# CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LODR) REGULATION, 2015

## The Board of Directors

### Majestic Auto Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Munjal Auto Limited, to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee;
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Majestic Auto Limited**

Sd/-  
**Mahesh Munjal**  
Managing Director

Sd/-  
**Rajpal Negi**  
Chief Financial Officer

Date : 12.08.2019  
Place: Noida



## Declaration

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2019, a confirmation that they are in compliance with the Company's Code of Conduct.

**For Majestic Auto Limited**

Sd/-  
**Mahesh Munjal**  
Managing Director  
DIN: 00002990

**Compliance Certificate on Conditions of Corporate Governance**

To,

The Members of Majestic Auto Limited  
10 Southern Avenue First Floor, Maharani Bagh,  
New Delhi - 110065

We have examined all relevant records of Majestic Auto Limited ("the Company") for the purpose of certifying the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the following observations.

- 1. Due to unexpected demise of Dr. Mohamad Abdul Zahir, Non-Executive Independent Director on 8th November, 2018, vacancy occurred. Thereafter, the Company did not have requisite number of non-executive Directors including Independent Director in the Board.***
- 2. Due to unexpected demise of Dr. Mohamad Abdul Zahir, Non-Executive Independent Director on 8th November, 2018, vacancy occurred for Member of Audit Committee and the Company did not have requisite number of Member in Audit Committee and Nomination and Remuneration Committee.***

**For and behalf of SAR & Associates**  
**Chartered Accountants**  
(FRN: 122400W)

Sd/-  
**Anubhav Goyal**  
(Partner)

Date: 12.08.2019  
Place: Noida

## Annexure 1

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(UDIN: A038674A0000001643)**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members,**

MAJESTIC AUTO LIMITED,  
C-48, Focal Point, Ludhiana, PB -141010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Majestic Auto Limited** having CIN L35911PB1973PLC003264 and having registered office at C-48, Focal Point, Ludhiana, PB -141010 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mahesh Munjal	00002990	29/06/1993
2.	Aashima Munjal	00050716	14/08/2010
3.	Naveen Jain	00051183	10/08/2018
4.	Vikas Nanda	00106264	14/02/2017
5.	Aayush Munjal	07276802	14/08/2015
6.	Dr. Mohamad Abdul Zahir*	00002973	27/01/2009
7.	Shavinder Singh Khosla**	02942033	28/01/2010

\* Dr. Mohamad Abdul Zahir has died on 8<sup>th</sup> November, 2018.

\*\* Mr. Shavinder Singh Khosla has resigned from the post of directorship on 11<sup>th</sup> August, 2018.

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PKB & Associates,

Company Secretaries

Firm Registration Number: S2015RJ312100

Place: New Delhi

Date : 23<sup>rd</sup> July, 2019

Sd/-

Pawan Barodiya

ACS No.: 38674

COP No.: 14435

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MAJESTIC AUTO LIMITED

## Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of **Majestic Auto Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Key Audit Matters

## 1. Accounting for investments

The Company has investments aggregating ₹ 23,635.88 lakhs in equity shares and liquid mutual funds. These investments are measured either at Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment.

Refer Notes 4A and 4B to the Standalone Financial Statements

## 2. Assessment of recoverability of deferred tax asset

As at 31 March 2019, the Company has recognized deferred tax assets of ₹ 2,956.08 lakhs on deductible temporary differences, MAT credit and unused tax losses.

Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions.

Considering, this involves significant judgment and estimates, the same has been considered as key audit matter.

Refer Notes 6 to the Standalone Financial Statements

## 3. Related party transaction

The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include transactions in the nature of investments, loans, sales and purchases, etc. as disclosed in Note 34 to the Standalone Financial Statements. Considering the significance of transactions with related parties and regulatory compliances thereon, related party transactions and its disclosure as set out in respective notes to the financial statements has been identified as key audit matter.

Refer Notes 34 to the Standalone Financial Statements

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## How our audit addressed the key audit matter

Our audit procedure included the following:

- Read the minutes of the meeting of the board of directors.
- Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments.
- Checked the Fair Market Value (FMV) of the investments in equity for arriving at FVTOCI.

Our audit procedure included the following:

- Obtained an understanding of the process and tested the controls over recording of deferred tax and review of deferred tax at each reporting date;
- We tested the computation of the amounts recognized as deferred tax assets;
- We evaluated management's assumptions used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans;
- We assessed the disclosures on deferred tax included in Note 6 to the financial statements.

Our audit procedure included the following:

- Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions;
- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length;
- Tested related party transactions with the underlying contracts, confirmation letters and other supporting documents;
- Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.



**Key Audit Matters****4. Assessing impairment of Investments in subsidiary**

The Company has significant investment in its subsidiaries. As at 31 March 2019, the carrying values of Company's investment in its subsidiaries amounts to ₹ 9,017.65 lakhs.

Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".

For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, unit price and discount rates.

Considering, the impairment assessment involves significant assumptions and judgment, the same has been considered as key audit matter.

Refer Notes 4 to the Standalone Financial Statements

**5. Conversion of Land and Building from fixed assets into Inventory held for sale**

The Company has shut down its manufacturing operations in the previous financial years and has included real estate services as one of the main object clause in Company's Memorandum (dated 16 January 2018).

Accordingly Land and Building amounting to ₹ 6,414.61 lakhs which was earlier part of Fixed Assets has been re-classified as inventory held for sale.

A disclosure in the quarterly results to BSE has also been made to such effect in the Financial statements filed for the quarter ended June 2018 (dated 10 August 2018).

A part of such Land and Building valued at ₹ 1,407.68 lakhs which has been re-classified as inventory was sold for ₹ 5,765.24 lakhs during the year having a significant impact on revenue and profitability of the Company

Considering, the value involved is significant and is also a matter of re-classification of asset and related valuation is based on assumptions and judgement, the same has been considered as key audit matter.

Refer Notes 2 & 22 to the Standalone Financial Statements

**How our audit addressed the key audit matter**

Our procedure in assessing the management's judgment for the impairment assessment included, among others, the following:

- We assessed the Company's valuation methodology applied in determining the recoverable amount of the investments;
- We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its investments;
- We considered the independence, competence and objectivity of the management specialist involved in determination of valuation;
- We tested the fair value of the investment as mentioned in the valuation report to the carrying value in books;
- Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates etc.
- Involved experts to review the assumptions used by the management specialists. We reviewed the disclosures made in the financial statements regarding such investments.

Our procedure in assessing the management's judgment for re-classification and valuation of assets included, among others, the following:

- We assessed the Company's valuation methodology applied in determining the recoverable amount of the inventory asset;
- We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its inventory;
- We considered the independence, competence and objectivity of the management specialist involved in re-classification of Land and Building into inventory;
- We tested the fair value of the inventory as mentioned in the valuation report to the carrying value in books;
- Involved experts to review the assumptions used by the management specialists. We reviewed the disclosures made in the financial statements, BSE, regarding such inventory.
- Read minutes of shareholder meetings, board meetings and minutes of meetings and the object clause in the Memorandum of Association
- Read the contracts and agreement to sell with respect to sale of such inventory.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the

scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any material foreseeable

losses on long-term contracts including derivative contracts.

- i. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **SAR & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 122400W  
Sd/-

**CA Anubhav Goyal**  
Partner

Membership No. 123328

Noida, 18 April, 2019

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Majestic Auto Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAJESTIC AUTO LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SAR & Associates**

Chartered Accountants  
Firm Registration no. 122400W  
Sd/-

**CA Anubhav Goyal**  
Partner

Membership No. 123328

Noida, 18 April, 2019



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Majestic Auto Limited of even date)

- i. In respect of the Company's fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- ii. In respect of the Company's inventories:
  - a. The inventories except goods in transit in the custody of the Company have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
  - b. There were no discrepancies noticed on physical verification of inventories.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to companies, firms or other parties, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c. There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not taken any loan from the government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SAR & Associates

Chartered Accountants  
Firm Registration no. 122400W  
Sd/-

CA Anubhav Goyal  
Partner

Membership No. 123338

Noida, 18 April, 2019



**Majestic Auto Limited**  
**Balance sheet as at 31 March 2019**

		(₹ in lakhs)	
	Note	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	2,405.33	7,154.28
Intangible assets	3	10.57	13.01
Financial assets			
Investments	4 A	32,551.50	41,646.84
Loans	5 A	1,979.47	184.40
<b>Deferred tax assets (net)</b>	6 A	2,314.73	-
Non-current tax assets (net)	7 A	118.55	70.84
Other non-current assets	8 A	4.96	-
<b>Total non-current assets</b>		<b>39,385.11</b>	<b>49,069.37</b>
<b>Current assets</b>			
Inventories	9	5,086.01	384.51
Financial assets			
Investments	4 B	102.03	-
Trade receivables	10	308.84	756.11
Cash and cash equivalents	11	6.44	5.74
Other bank balances	12	57.23	54.59
Loans	5 B	43.62	-
Other financial assets	13	160.86	443.95
Other current assets	8 B	92.46	140.03
<b>Total current assets</b>		<b>5,857.49</b>	<b>1,784.93</b>
Assets held for sale	14	-	3,609.71
<b>Total assets</b>		<b>45,242.60</b>	<b>54,464.01</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	1,039.82	1,039.82
Other equity	16	36,826.22	40,224.72
<b>Total equity</b>		<b>37,866.04</b>	<b>41,264.54</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17 A	5,470.89	10,237.52
Other financial liabilities	18 A	16.45	6.25
Provisions	19 A	19.69	4.93
Deferred tax liabilities (net)	6 B	-	641.35
<b>Total non-current liabilities</b>		<b>5,507.03</b>	<b>10,890.05</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	20	334.78	326.85
Other financial liabilities	18 B	1,266.32	669.60
Other current liabilities	21	268.09	398.79
Provisions	19 B	0.34	15.58
<b>Total current liabilities</b>		<b>1,869.53</b>	<b>1,410.82</b>
Liabilities directly associated with assets classified as held for sale	14	-	898.60
<b>Total equity and liabilities</b>		<b>45,242.60</b>	<b>54,464.01</b>

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

**For SAR & Associates**

Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

## MAJESTIC AUTO LIMITED

### Majestic Auto Limited Statement of profit and loss for the ended 31 March 2019

	Note	31 March 2019	31 March 2018
<b>Income</b>			
Revenue from operations	22	8,145.58	896.64
Other income	23	1,022.62	848.68
<b>Total income</b>		<b>9,168.20</b>	<b>1,745.32</b>
<b>Expenses</b>			
Cost of operation and services		3,309.02	208.47
Employee benefits expense	24	281.17	315.85
Finance costs	25	610.49	583.60
Depreciation and amortisation expense	26	79.42	249.04
Other expenses	27	369.34	191.63
<b>Total expenses</b>		<b>4,649.44</b>	<b>1,548.59</b>
<b>Profit before tax from continuing operations</b>		<b>4,518.76</b>	<b>196.73</b>
<b>Tax expense</b>	28		
Current tax		513.13	-
Less : MAT credit entitlement		(440.53)	
Deferred tax credit		(296.59)	(152.11)
Earlier years tax adjustments (net)		-	-
<b>Profit from continuing operations</b>		<b>4,742.75</b>	<b>348.84</b>
<b>Discontinued operations</b>	29		
Loss from discontinued operation before tax		(1,262.55)	(1,761.82)
Tax expense/(credit) of discontinued operations		(114.06)	(459.75)
Loss from discontinued operation		(1,148.49)	(1,302.07)
<b>Profit/(Loss) for the year</b>		<b>3,594.26</b>	<b>(953.23)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		(4.97)	92.79
Less: Income tax expense relating to items that will not be reclassified to profit and loss		1.02	(24.12)
Gain on fair value of FVOCI equity instruments		(9,092.71)	3,263.23
Less: Income tax expense relating to items that will not be reclassified to profit and loss		2,103.90	(245.33)
<b>Total comprehensive income for the year</b>		<b>(3,398.50)</b>	<b>2,133.34</b>
<b>Earnings per equity share (for continuing operations):</b>	30		
Basic (₹)		45.62	3.36
Diluted (₹)		45.62	3.36
<b>Earnings per equity share (for discontinued operations):</b>			
Basic (₹)		(11.05)	(12.52)
Diluted (₹)		(11.05)	(12.52)
<b>Earnings per equity share (for discontinued and continuing operations):</b>			
Basic (₹)		34.57	(9.16)
Diluted (₹)		34.57	(9.16)

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the statement of profit or loss referred to in our report of even date.

**For SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

Majestic Auto Limited  
Statement of changes in equity as at 31 March 2019

## A Equity share capital\*

(₹ in lakhs)

Particulars	Balance as at 31 March 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital	1,039.82	-	1,039.82

## B Other equity\*\*

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income Equity instruments through other comprehensive income	Total
	General reserve	Securities premium reserve	Retained earnings		
Balance as at 1 April 2017	500.00	129.52	14,188.56	23,273.30	38,091.38
Profit/(Loss) for the period	-	-	(953.23)	-	(953.23)
Other comprehensive income (net of tax)	-	-	68.67	3,017.90	3,086.57
Transfer on disposal of equity investment	-	-	2,113.71	(2,113.71)	-
Balance as at 31 March 2018	500.00	129.52	15,417.71	24,177.49	40,224.72
Profit/(loss) for the period	-	-	3,594.26	-	3,594.26
Other comprehensive income (net of tax)	-	-	(3.95)	(6,988.81)	(6,992.76)
Transfer on disposal of equity investment	-	-	-	-	-
Balance as at 31 March 2019	500.00	129.52	19,008.02	17,188.68	36,826.22

\*Refer Note - 15 for details

\*\*Refer Note - 16 for details

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the statement of profit or loss referred to in our report of even date.

## For SAR &amp; Associates

Chartered Accountants

Firm Registration No. 122400W

Sd/-

CA Anubhav Goyal

Partner

Membership No. 123328

Place : Noida

Date : 18 April 2019

For and on behalf of Majestic Auto Limited

Sd/-

(Rajpal Singh Negi)

Chief Financial Officer

Sd/-

(Juhi Garg)

Company Secretary

M.No. 35389

Sd/-

(Mahesh Munjal)

Managing Director

DIN 00002990

Sd/-

(Vikas Nanda)

Director

DIN 00106264



**Majestic Auto Limited**  
**Cash Flow Statement for the year ended 31 March 2019**

	(₹ in lakhs)	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Profit/(loss) before tax from</b>		
Continuing operations	4,518.76	196.73
Discontinued operations	(1,262.55)	(1,761.82)
<b>Loss before tax including discontinued operations</b>	<b>3,256.21</b>	<b>(1,565.09)</b>
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	79.42	768.02
Loss/(gain) on disposal of property, plant and equipment	1,159.20	113.73
Interest income	(128.91)	(42.13)
Dividend income	(874.95)	(782.85)
Allowance for doubtful debts/balances write back	-	(130.06)
Gain on investment FVTPL	(2.03)	-
Finance costs	610.49	1,202.00
<b>Operating loss before working capital changes</b>	<b>4,099.43</b>	<b>(436.38)</b>
<b>Movement in working capital</b>		
Decrease/(increase) in inventories	305.41	1,393.87
Decrease/(increase) in other financial assets	283.09	(424.79)
Decrease/(increase) in trade receivables	447.27	2,475.89
Decrease other non-current assets	(4.96)	5.64
Decrease in other current assets	47.57	358.44
Decrease in other financial liabilities	(145.11)	(105.48)
Increase in other current liability	(130.70)	1,144.14
(Decrease)/increase in provisions	(5.45)	(14.43)
(Decrease)/increase in trade and other payables	7.93	(2,860.60)
<b>Cash flow from operating activities post working capital changes</b>	<b>4,904.48</b>	<b>1,536.30</b>
Income tax paid (net)	(47.71)	(24.16)
<b>Net cash flow from operating activities (A)</b>	<b>4,856.77</b>	<b>1,512.14</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(57.83)	(85.01)
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	761.69	3,140.63
Proceeds from sale of investments	102.63	2,236.96
Purchases of short-term investments	(200.00)	-
Redemption in margin money	(2.64)	(45.05)
Cash loans and advances	(1,838.69)	0.63
Dividend received	874.95	782.85
Interest received	128.91	42.13
<b>Net cash flow from investing activities (B)</b>	<b>(230.98)</b>	<b>6,073.14</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	466.56	1,521.20
Repayment of borrowings	(4,481.16)	(7,913.23)
Interest paid	(610.49)	(1,202.00)
<b>Net cash used in financing activities (C)</b>	<b>(4,625.09)</b>	<b>(7,594.03)</b>
Decrease in cash and cash equivalents (A+B+C)	0.70	(8.75)
Cash and cash equivalents at the beginning of the year	5.74	12.62
<b>Cash and cash equivalents at the end of the year*</b>	<b>6.44</b>	<b>3.87</b>

\*Net of bank overdraft ₹ Nil (31 March 2018: ₹ 1.87 lakhs).

This is the cash flow statement referred to in our report of even date.

**For SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

**1. Corporate information**

Majestic Auto Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange Limited. The Company was in the business of manufacturing fine blanking components, electrical components and others. The Company has discontinued its electrical and fine blanking business to curtail losses. The Company is also engaged in the business of providing facility management services and intends to focus on provision of these services in future. The Company has its registered place of business at C-48, Focal Point, Ludhiana, Punjab -141010, India.

**1.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP". The financial statements for the year ended 31 March 2018 are the first Ind AS Financial statements of the Company. As per the principles of Ind AS 101, the transition date to Ind AS is 1 April 2016 and hence the comparatives for the previous year ended 31 March 2017 & balances as on 1 April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Refer note 40 for understanding the transition from previous GAAP to Ind AS and its effect on the Company's financial position and financial performance.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

The financial statements for the year ended 31 March 2017 were authorized and approved by the Board of Directors on 14 May 2018.

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period.

Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**1.3 Significant accounting policies**

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**b) Inventory**

Inventories are valued as follows:

**Work in progress and finished goods**

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

**Raw material, components, stores and spares**

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

**Scrap**

Scrap is valued at net realisable value.

**Goods in transit**

Goods in transit are value at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**c) Property, plant and equipment***Recognition and initial measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. Leasehold land is amortised over the period of lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

**d) Intangible assets***Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets

are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

*Subsequent measurement (Amortisation and useful lives)*

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Computer software	5 years

*De-recognition*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**e) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

f) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) **Foreign currency transactions***Functional and presentation currency*

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional and presentation currency.

*Foreign currencies**Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at exchange rates at the date the transaction first qualifies for recognition.

*Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

h) **Leases****Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities



# Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial results on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

### j) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

The Company applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

#### Sale of goods and services

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

#### Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

#### Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### k) Financial instruments

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

#### Subsequent measurement

#### Financial assets

i. **Financial assets carried at amortised cost** — A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

### ii. Investments in equity instruments of subsidiaries

Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

### iii. Financial assets at fair value

#### Investments in equity instruments other than above

—Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

#### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### l) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three- years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**m) Investment in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**n) Retirement and other employee benefits****Provident and Superannuation fund**

Retirement benefit in the form of provident and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident and superannuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided and superannuation fund.

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan (administered through Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

**Accumulated leaves**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**Other short-term benefits**

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

**o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

**q) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

*Identification of segments*

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

*Allocation of common costs*

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Company as a whole.

**r) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**s) Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realization of income is virtually certain.

**1.4 Significant management judgments in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

*Significant management judgments*

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Provisions, contingent liabilities and contingent assets** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

*Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



## Note - 2

## Property, plant and equipment

(₹ in lakhs)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Gross block</b>								
At 1 April 2017	442.98	3,245.75	6,645.89	17,990.74	159.58	281.86	274.03	29,040.83
Additions	-	-	15.13	27.43	-	5.88	36.57	85.01
Transferred to stock in trade/held for sale	(442.98)	-	(2,115.18)	(4,712.84)	-	-	-	(7,271.00)
Disposals	-	-	(6.73)	(13,305.33)	(11.67)	(73.67)	(3.99)	(13,401.39)
<b>Balance as at 31 March 2018</b>	-	<b>3,245.75</b>	<b>4,539.11</b>	-	<b>147.91</b>	<b>214.07</b>	<b>306.61</b>	<b>8,453.45</b>
Additions	-	-	-	-	-	1.41	56.42	57.83
Transferred to stock in trade	-	(3,245.75)	(2,255.55)	-	-	-	-	(5,501.30)
Disposals/adjustments	162.67	-	-	-	-	(27.78)	(64.43)	70.46
<b>Balance as at 31 March 2019</b>	<b>162.67</b>	-	<b>2,283.56</b>	-	<b>147.91</b>	<b>187.70</b>	<b>298.60</b>	<b>3,080.44</b>
<b>Accumulated depreciation</b>								
At 1 April 2017	-	235.06	1,288.31	12,363.78	99.82	244.68	117.49	14,349.14
Charge for the year	-	36.16	169.54	514.93	5.97	5.24	34.07	765.91
Transferred to stock in trade/held for sale	-	-	(859.65)	(2,801.64)	-	-	-	(3,661.29)
Disposals	-	-	(6.73)	(10,077.07)	(11.67)	(55.42)	(3.70)	(10,154.59)
<b>Balance as at 31 March 2018</b>	-	<b>271.22</b>	<b>591.47</b>	-	<b>94.12</b>	<b>194.50</b>	<b>147.86</b>	<b>1,299.17</b>
Charge for the year	-	-	35.88	-	5.95	3.41	31.74	76.98
Transferred to stock in trade	-	(271.22)	(351.30)	-	-	-	-	(622.52)
Disposals/adjustments	-	-	-	-	-	(26.39)	(52.13)	(78.52)
<b>Balance as at 31 March 2019</b>	-	-	<b>276.05</b>	-	<b>100.07</b>	<b>171.52</b>	<b>127.47</b>	<b>675.11</b>
<b>Net block as at 31 March 2018</b>	-	<b>2,974.53</b>	<b>3,947.64</b>	-	<b>53.79</b>	<b>19.57</b>	<b>158.75</b>	<b>7,154.28</b>
<b>Net block as at 31 March 2019</b>	<b>162.67</b>	-	<b>2,007.51</b>	-	<b>47.84</b>	<b>16.18</b>	<b>171.13</b>	<b>2,405.33</b>

## (i) Conversion of Capital Assets into Stock-in-trade

As on 1 April 2018 following Assets has converted into Stock;

Particulars	Gross Block	Accumulated Depreciations	Net Block
Freehold Land	280.31	-	280.31
Leasehold Land	3,245.75	271.22	2,974.53
Factory Building	4,370.72	1,210.95	3,159.77
<b>Total</b>	<b>7,896.78</b>	<b>1,482.17</b>	<b>6,414.61</b>

## (ii) Discontinued operations

Depreciation for the current year includes depreciation for discontinued operations Nil (31 March 2018: ₹ 518.98 lakhs).



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 3

## Intangible assets

	(₹ in lakhs)	
Particulars	Softwares	Total
<b>Gross block</b>		
At 1 April 2017	57.49	57.49
Additions	-	-
Disposals	(9.66)	(9.66)
<b>Balance as at 31 March 2018</b>	<b>47.83</b>	<b>47.83</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>47.83</b>	<b>47.83</b>
<b>Accumulated amortisation</b>		
At 1 April 2017	34.80	34.80
Charge for the year	2.11	2.11
Disposals	(2.09)	(2.09)
<b>Balance as at 31 March 2018</b>	<b>34.82</b>	<b>34.82</b>
Charge for the year	2.44	2.44
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>37.26</b>	<b>37.26</b>
<b>Net block as at 31 March 2018</b>	<b>13.01</b>	<b>13.01</b>
<b>Net block as at 31 March 2019</b>	<b>10.57</b>	<b>10.57</b>

## Note - 4

	(₹ in lakhs)	
	31 March 2019	31 March 2018
<b>A Investments</b>		
<b>Investment in equity instruments</b>		
<b>Subsidiary companies (unquoted, at cost)</b>		
Majestic IT Services Limited 16,776,500 (31 March 2018: 16,776,500) equity shares, fully paid up	1,677.65	1,677.65
Emirates Technologies Private Limited 16,000,000 (31 March 2018: 16,000,000) equity shares, fully paid up	7,320.00	7,320.00
<b>Equity investment in others (quoted, at market value)</b>		
Fair value through other comprehensive income 921,000 (31 March 2018: 921,000) equity shares of Hero Moto Corp Limited	23,533.85	32,629.19
<b>Investment in optionally convertible redeemable preference shares</b>		
<b>Subsidiary company (unquoted, at cost)</b>		
Majestic IT Services Limited 200,000 (31 March 2018: 200,000) preference shares, fully paid up	20.00	20.00
	<b>32,551.50</b>	<b>41,646.84</b>
Aggregate amount of quoted investments	1,891.85	1,891.85
Aggregate market value of quoted investments	23,533.85	32,629.19
Aggregate amount of unquoted investments	9,017.65	9,017.65
Aggregate amount of impairment in the value of investments	-	-
Equity investment in others valued at fair value through other comprehensive income have been pledged as security for liabilities, for details refer Note - 38.		
<b>B Investments</b>		
<b>Investment in Mutual Fund</b>		
<b>Investment carried at fair value through profit or loss (quoted, at market value)</b>		
2,878 units in Axis Banking & PSU Debt Direct-G	50.91	-
315,169 units in IDFC Banking & PSU Debt Direct-G	51.12	-
	<b>102.03</b>	<b>-</b>
Aggregate amount of quoted investments	100.00	-
Aggregate market value of quoted investments	102.03	-

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 5

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>A Loans non-current</b>		
(Unsecured, considered good)		
Security deposits	1,979.47	184.40
	<b>1,979.47</b>	<b>184.40</b>
<b>B Loans - current</b>		
(Unsecured, considered good)		
Security deposits	43.62	-
	<b>43.62</b>	-

## Note - 6

<b>A Deferred tax assets (net)</b>		
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	1,418.67	-
Property, plant and equipment and other intangible assets	36.85	-
Employee benefits	6.42	-
Conversion of capital assets into stock in trade	1,102.96	-
Financial instruments measured at amortised cost	0.03	-
Allowances for doubtful debts	11.41	-
Unabsorbed business losses and depreciation**	4,194.33	-
<b>Deferred tax liabilities arising on account of :</b>		
Investment in fair value instruments measured at FVOCI	4,455.94	-
	<b>2,314.73</b>	-
<b>B Deferred tax liabilities (net)</b>		
Deferred tax liabilities arising on account of :		
Property, plant and equipment and other intangible assets	-	593.22
Investment in fair value instruments measured at FVOCI	-	6,559.84
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	-	978.13
Property, plant and equipment and other intangible assets	-	-
Employee benefits	-	10.55
Conversion of capital assets into stock in trade	-	-
Financial instruments measured at amortised cost	-	-
Allowances for doubtful debts	-	80.02
Unabsorbed business losses and depreciation**	-	5,443.01
	-	<b>641.35</b>

## (i) Movement in deferred tax liabilities (net)

(₹ in lakhs)

Particulars	31 March 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2019
<b>Liabilities</b>				
Property, plant and equipment and other intangible assets	593.22	(593.22)	-	-
Financial instruments measured at amortised cost	-	-	-	-
Investment in fair value instruments measured at FVOCI	6,559.84	-	(2,103.90)	4,455.94
<b>Assets</b>				
Minimum alternative tax credit *	978.13	440.54	-	1,418.67
Employee benefits	10.55	(5.15)	1.02	6.42
Allowances for doubtful debts	80.02	(68.61)	-	11.41
Financial instruments measured at amortised cost	-	0.03	-	0.03
Property, plant and equipment and other intangible assets	-	36.85	-	36.85
Conversion of capital assets into stock in trade	-	1,102.96	-	1,102.96
Unabsorbed business losses and depreciation**	5,443.01	(1,248.68)	-	4,194.33
<b>Total</b>	<b>641.35</b>	<b>(851.16)</b>	<b>(2,104.92)</b>	<b>2,314.73</b>

Majestic Auto Limited

**Notes to the Standalone financial statements for the year ended 31 March 2019**

(₹ in lakhs)

Particulars	31 March 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2018
<b>Liabilities</b>				
Property, plant and equipment and other intangible assets	704.55	(111.33)	-	593.22
Financial instruments measured at amortised cost	1.26	(1.26)	-	-
Investment in fair value instruments measured at FVOCI	6,314.51	-	245.33	6,559.84
<b>Assets</b>				
Minimum alternative tax credit *	978.13	-	-	978.13
Employee benefits	59.97	(25.30)	(24.12)	10.55
Allowances for doubtful debts	128.23	(48.21)	-	80.02
Unabsorbed business losses and depreciation**	4,870.22	572.79	-	5,443.01
<b>Total</b>	<b>983.77</b>	<b>(611.87)</b>	<b>269.45</b>	<b>641.35</b>

\* Expiry date of minimum alternative tax credit:

(₹ in lakhs)

Expiry year	31 March 2019	31 March 2018
1 April 2024 - 31 March 2025	23.68	23.68
1 April 2025 - 31 March 2026	115.83	115.83
1 April 2026 - 31 March 2027	64.79	64.79
1 April 2029 - 31 March 2030	773.83	773.83
1 April 2034 - 31 March 2035	440.53	-
<b>Total</b>	<b>1,418.66</b>	<b>978.13</b>

\*\*Expiry date of unused tax losses and depreciation for which no deferred tax asset has been recognised:

(₹ in lakhs)

Expiry year	31 March 2019	31 March 2018
Unused tax losses		
1 April 2021 - 31 March 2022	304.84	304.84
1 April 2022 - 31 March 2023	1,924.89	1,924.89
1 April 2023 - 31 March 2024	2,550.81	2,550.81
1 April 2024 - 31 March 2025	903.84	903.84
1 April 2025 - 31 March 2026	1,541.39	1,541.39
1 April 2026 - 31 March 2027	1,291.46	1,842.92
1 April 2027 - 31 March 2028	2,203.71	-
Unabsorbed depreciation for indefinite period	9,849.28	9,622.96
<b>Total</b>	<b>20,570.22</b>	<b>18,691.65</b>

**Note - 7**
**A Non - current tax assets (net)**

Advance income tax	631.68	70.84
Less: Provision for taxation	(513.13)	-
	<b>118.55</b>	<b>70.84</b>

**Note - 8**
**A Other non-current assets**

(Unsecured, considered good)

Prepaid expenses	4.96	-
	<b>4.96</b>	<b>-</b>

**B Other current assets**

(Unsecured, considered good)

Advances to suppliers	38.86	52.32
Prepaid expenses	7.91	11.72
Balance with government authorities	45.69	75.99
Others	-	-
	<b>92.46</b>	<b>140.03</b>

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

	31 March 2019	31 March 2018
<b>Note - 9</b>		
<b>Inventories</b>		
<b>Manufacturing Operation</b>		
<b>(Lower of cost or net realizable value)</b>		
Finished goods	-	33.34
Raw materials and components	20.00	117.89
Stores and spares	40.98	154.11
Stock in Diesel	18.12	-
Scrap	-	4.75
Loose tools	-	22.42
Work-in-progress	-	52.00
<b>Real Estate</b>		
Land	3,102.67	-
Building	1,904.24	-
	<b>5,086.01</b>	<b>384.51</b>

**Amounts recognised in profit or loss**

Write-downs of inventories to net realisable value amounted to ₹ Nil (31 March 2018 - ₹ 35.94 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' in statement of profit and loss.

**Note - 10**

<b>Trade receivables*</b>		
Considered good	308.84	756.11
Considered doubtful	55.42	274.68
Less: Impairment allowance (allowance for expected credit loss)		
Considered good	-	-
Considered doubtful	(55.42)	(274.68)
	<b>308.84</b>	<b>756.11</b>

\*for related party balances refer Note - 34.

**Note - 11**

<b>Cash and cash equivalents</b>		
Cash on hand	2.62	0.39
Cheques/drafts on hand	-	5.35
Balances with banks		
In current accounts	3.82	-
	<b>6.44</b>	<b>5.74</b>

**Note - 12**

<b>Other bank balances</b>		
Margin money *	57.23	54.59
	<b>57.23</b>	<b>54.59</b>

\* Pledged as security for letters of credit/bank guarantees, for details refer Note - 38.

**Note - 13**

<b>Other financial assets - current</b>		
<b>(Unsecured, considered good)</b>		
Unbilled receivables	146.09	433.65
Advances recoverable in cash	14.52	10.30
Others	0.25	-
	<b>160.86</b>	<b>443.95</b>



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 14

**Assets and liabilities classified as held for sale**

During the year, management decided to discontinue 'Fine Blanking Components' and 'Electricals' divisions due to lack of viable orders, profitability and capital investment requirements for new technology. Consequently, certain assets and liabilities were classified as a disposal group.

	31 March 2019	31 March 2018
Assets classified as held for sale		
Freehold land	-	442.98
Buildings	-	1,255.53
Plant and equipment	-	1,911.20
<b>Total assets held for sale</b>	<b>-</b>	<b>3,609.71</b>
Liabilities directly associated with assets classified as held for sale		
Advance received against sale of assets	-	(898.60)
<b>Total liabilities held for sale</b>	<b>-</b>	<b>(898.60)</b>

The Company has sold certain Property plant and equipment which were part of the discontinued manufacturing operations. Further, the Company has identified certain Property, plant and equipment which were part of the discontinued manufacturing operations whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The proposal has been approved by the Board of Directors and shareholders of the Company. The Company is in the process of closing the sale transaction and expects to realize the sale proceeds within next 12 months. Accordingly, the said Property plant and equipment have been classified as "Non-current asset held for sale".

**Segment information**

Plant and equipment is disclosed as part of the 'Electrical' segment which has now been discontinued. Freehold land and buildings are disclosed as part of the 'Facility Management Services' segment under Segment reporting disclosures.

**Non-recurring fair value measurements**

Asset classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification.

## Note - 15

Equity share capital	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
<b>i Authorised</b>				
15,000,000 Equity shares of ₹ 10/- each with voting rights	1,50,00,000	1,500.00	1,50,00,000	1,500.00
25,000,000 Preference shares of ₹ 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
		<b>4,000.00</b>		<b>4,000.00</b>
<b>ii Issued share capital</b>				
Equity share capital of face value of ₹ 10 each	1,03,98,978	1,039.90	1,03,98,978	1,039.90
		<b>1,039.90</b>		<b>1,039.90</b>
<b>iii Subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10/- each	1,03,97,478	1,039.82	1,03,97,478	1,039.82
Add: Shares forfeited (amount paid up)		-		-
		<b>1,039.82</b>		<b>1,039.82</b>
<b>iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	1,03,97,478	10,39,74,780	1,03,97,478	10,39,74,780
Add: Shares forfeited during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,03,97,478</b>	<b>103974780</b>	<b>1,03,97,478</b>	<b>10,39,74,780</b>

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

**v Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares with paid up value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the Company, if declared by the board as interim dividend and recommended by the board and declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by Company from time to time.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, beside other rights available under the Companies Act.

The distribution will be in proportion to the number of equity shares held by the shareholders.

**vi Details of shareholder holding more than 5% share capital**

Name of the equity shareholders	Number	%	Number	%
M/s Anandi Investments Private Limited	77,57,687	74.61%	77,57,687	74.61%

**vii Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date.**

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

1500 equity shares of ₹ 10 per share were forfeited by Company against unpaid call money of ₹ 5 per equity share.

**Note - 16****Other equity****(i) Nature and purpose of other reserves****General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Securities premium reserve**

Securities premium reserve represents the amount received in excess of par value of securities (equity shares). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments and gain/(loss) booked on re-measurement of defined benefit plans.

(₹ in lakhs)

31 March 2019 31 March 2018

**Note - 17****A Borrowings non-current****Secured loans****Term loans****From banks**

5,446.95 9,051.05

**Vehicle loan from banks**

23.94 33.19

**Unsecured loans****Loan from Directors**

- 1,153.28

5,470.89 10,237.52

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**

(₹ in lakhs)					
Particulars	Nature of Security	Terms of repayment	Interest Rate	31 March 2019	31 March 2018
<b>Secured - term loan</b>					
HDFC Bank - Term Loan	Primary hypothecate by way of subservient charges on all movable plant and machinery, fixed assets both present and future of the Company and secondary by pledge of equity shares of Hero Motocorp Limited.	Quarterly instalments of ₹ 375 lakhs till November 2020.	The rate of interest ranges from 7.85% to 10%.	2,250.00	3,000.00
HDFC Bank - Overdraft		Repayable after one year or rollover for further period.		348.07	991.83
Deutsche Bank			The rate of interest ranges from 8% to 9.30%.	3,246.33	4,638.23
<b>Housing loan</b>					
Punjab National Bank	Mortgage of flat no. C-100 (Block C), first floor, southern avenue, Maharani Bagh, New Delhi	180 equated monthly instalments of ₹ 11.05 lakhs each.	The rate of interest ranges from 8.65% to 9.75%.	793.18	854.56
<b>Vehicle loan</b>					
ICICI Bank	Vehicle loan is secured by mortgage of vehicle of the Company	36 EMI of ₹ 3.14 lakhs each.	10.09% per annum.	-	5.77
Canara Bank		60 EMI of ₹ 0.54 lakhs each	9.45% per annum.	9.85	15.07
Canara Bank		84 EMI of ₹ 0.47 lakhs each	9.00% per annum.	23.39	26.68
<b>Unsecured</b>					
Loan from Directors	Unsecured	Repayable as per the terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits.	10% per annum	-	1,153.28
				<b>6,670.82</b>	<b>10,685.42</b>

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note - 38.

**Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in lakhs)					
Particulars			Long - term borrowings	Short - term borrowings	Total
<b>1 April 2017</b>			<b>15,391.07</b>	<b>1,686.38</b>	<b>17,077.45</b>
<b>Cash flows:</b>					
- Repayment			(6,226.85)	(1,686.38)	(7,913.23)
- Proceeds			1,521.20	-	1,521.20
<b>31 March 2018</b>			<b>10,685.42</b>	<b>-</b>	<b>10,685.42</b>
<b>Cash flows:</b>					
- Repayment			(4,481.16)	-	(4,481.16)
- Proceeds			466.56	-	466.56
<b>31 March 2019</b>			<b>6,670.82</b>	<b>-</b>	<b>6,670.82</b>

**Note - 18**

(₹ in lakhs)		
	31 March 2019	31 March 2018
<b>A Other financial liabilities non-current</b>		
Security deposits	16.45	6.25
	<b>16.45</b>	<b>6.25</b>
<b>B Other financial liabilities - current</b>		
Current maturities of long-term borrowings	1,199.93	447.90
Bank overdraft with banks	-	1.87
Others*	66.39	219.83
	<b>1,266.32</b>	<b>669.60</b>

\* Represents provision for expenses at the end of the period.



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 19

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>A Provisions - non-current</b>		
Employee's post retirement/long-term benefits		
Gratuity	19.69	4.93
	<b>19.69</b>	<b>4.93</b>
<b>B Provisions - current</b>		
Employees' post retirement/long-term benefits		
Gratuity	0.34	15.58
	<b>0.34</b>	<b>15.58</b>

## Note - 20

<b>Trade payables</b>		
Due to micro and small enterprises *	-	-
Due to others	334.78	326.85
	<b>334.78</b>	<b>326.85</b>

\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018

		(₹ in lakhs)	
Particulars		31 March 2019	31 March 2018
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Note - 21

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>Other current liabilities</b>		
Payable to statutory authorities	13.36	350.99
Advance from customers	36.64	47.80
Others	218.09	-
	<b>268.09</b>	<b>398.79</b>

## Note - 22

<b>Income from operations</b>		
Facility management services	2,380.34	896.64
Revenue from sale of Land and constructed Properties	5,765.24	-
	<b>8,145.58</b>	<b>896.64</b>

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**

	31 March 2019	31 March 2018
<b>Note - 23</b>		
<b>Other income</b>		
Interest income		
- Bank deposits	3.50	1.00
- Intercompany deposits	125.41	30.98
- Others	-	10.15
Dividend received	874.95	782.85
Rent	-	6.73
Financial assets carried at amortised cost	0.26	-
Gain on disposal of property, plant and equipment (net)	3.13	-
Gain on investment FVTPL	2.03	-
Miscellaneous receipts	13.34	16.97
	<b>1,022.62</b>	<b>848.68</b>

**Note - 24**

<b>Employee benefits expense</b>		
Salaries and incentives	241.18	298.53
Contributions to provident and other fund	35.08	11.45
Staff welfare expenses	4.91	5.87
	<b>281.17</b>	<b>315.85</b>

**Note - 25**

<b>Finance costs</b>		
Interest on		
- Term loan from banks	589.26	583.60
- Interest to others	20.76	-
Bank commission and charges	0.47	-
	<b>610.49</b>	<b>583.60</b>

**Note - 26**

<b>Depreciation and amortisation expense</b>		
Depreciation on:		
Property, plant and equipment	76.98	246.93
Amortisation on:		
Intangible assets	2.44	2.11
	<b>79.42</b>	<b>249.04</b>

**Note - 27**

<b>Other expenses</b>		
Water, electricity and fuel	15.24	27.40
Repairs and maintenance		
- Buildings	35.69	-
- Others	5.96	26.00
Legal and professional	47.46	53.86
House keeping and security	61.55	-
Insurance	7.19	3.30
Rates and taxes	52.82	3.46
Printing and stationery	3.61	-
Rent	21.67	-
Business promotion	11.84	-
Auditor's remuneration		
- Statutory audit fee	2.50	2.50
Telephone and communication	6.94	-
Director's sitting fee	1.30	1.94
Travelling and conveyance	32.44	-
Festival expenses	4.16	-
Miscellaneous expenses	58.97	73.17
Research & Development Expenses	-	-
	<b>369.34</b>	<b>191.63</b>

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

	31 March 2019	31 March 2018
<b>Note - 28</b>		
<b>Income tax</b>		
<b>Tax expense comprises of:</b>		
Current tax	513.13	-
Less : MAT credit entitlement	(440.53)	-
Deferred tax credit	(296.59)	(152.11)
Earlier years tax adjustments (net)	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(223.99)</b>	<b>(152.11)</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2018: 30.90%) and the reported tax expense in profit or loss are as follows:

Profit from continuing operations before income tax expense	4,518.76	196.73
Profit from discontinued operations before income tax expense	(1,262.55)	(1,761.82)
	<b>3,256.21</b>	<b>(1,565.09)</b>

At India's statutory income tax rate of 27.82% (31 March 2018: 30.90%)*	905.88	(483.61)
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**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Tax impact of exempted income	(160.86)	(235.96)
Tax impact of expenses which will never be allowed	0.01	4.05
Earlier years tax adjustments (net)	(90.45)	(148.61)
Allowable expenses	(1,325.57)	66.19
Effect of changes in tax rate	565.69	288.53
Tax impact of discontinued operations	(114.06)	459.75
Others	(4.62)	(102.45)
<b>Income tax expense</b>	<b>(223.99)</b>	<b>(152.12)</b>

**\* Changes in tax rate**

The reduction of the Indian corporate tax rate from 30% to 25% is effective from 1 April 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 March 2019 has been measured using the effective rate that will apply in India for the period (25%).

The impact of the change in tax rate has been recognised in tax expense of statement of profit or loss, except to the extent that it relates to items previously recognised outside the statement of profit or loss.

**Note - 29****Discontinued operations****(i) Description**

Pursuant to official notification issued on Bombay Stock Exchange ("BSE") dated 2 August 2017 and 7 September 2017 for electrical motor business of its "Electricals" division and official notification issued on Bombay Stock Exchange ("BSE") dated 5 October 2017 for fine blanking components business of its "Fine blanking components" division, the Company has discontinued both the divisions due to lack of viable orders, profitability and capital investment requirements for new technology. Consequently, revenue and expenses, gains and losses relating to the discontinuation of these divisions have been eliminated from profit or loss from the Company's continuing operations and are shown as a single line item in the statement of profit or loss.

	31 March 2019	31 March 2018
<b>(ii) Financial performance and cash flow information</b>		
Total income	240.98	8,516.64
Total expenses	341.20	10,164.73
<b>Loss before tax</b>	<b>(100.22)</b>	<b>(1,648.09)</b>
(Loss)/profit on disposal of non-current assets of discontinued operation	(1,162.33)	(113.73)
<b>Loss before tax from discontinued operations</b>	<b>(1,262.55)</b>	<b>(1,761.82)</b>
Tax expense		
Deferred tax credit	(114.06)	(459.75)
Earlier years tax adjustments (net)	-	-
<b>Loss for the year from discontinued operations</b>	<b>(1,148.49)</b>	<b>(1,302.07)</b>

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**

	(₹ in lakhs)	
	31 March 2019	31 March 2018
<b>Note - 30</b>		
<b>Earnings per share</b>		
<b>Net profit attributable to equity shareholders</b>	<b>3,594.26</b>	<b>(953.23)</b>
<b>Profit from continuing operations (A)</b>	4,742.75	348.84
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	45.62	3.36
Diluted EPS (₹) (A/C)	45.62	3.36
Weighted average number of equity shares adjusted for the effect of dilution (C)		
<b>Loss from discontinued operations (A)</b>	<b>(1,148.49)</b>	<b>(1,302.07)</b>
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	(11.05)	(12.52)
Diluted EPS (₹) (A/C)	(11.05)	(12.52)
<b>Profit from continuing operations and discontinued operations (A)</b>	<b>3,594.26</b>	<b>(953.23)</b>
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	34.57	(9.16)
Diluted EPS (₹) (A/C)	34.57	(9.16)

**Note - 31**
**Financial instruments by category**
**(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorized into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial instruments by category**

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVOCI*	Amortised cost	FVTPL	FVOCI*	Amortised cost
<b>Financial assets</b>						
Investments						
Equity instruments	-	23,533.85	-	-	32,629.19	-
Mutual Fund	102.03	-	-	-	-	-
Trade receivables	-	-	308.84	-	-	756.11
Loans	-	-	-	-	-	-
Cash and cash equivalents	-	-	6.44	-	-	5.74
Other bank balances	-	-	57.23	-	-	54.59
Other financial assets	-	-	160.86	-	-	443.95
Security deposits	-	-	2,023.09	-	-	184.40
<b>Total financial assets</b>	<b>102.03</b>	<b>23,533.85</b>	<b>2,556.46</b>	<b>-</b>	<b>32,629.19</b>	<b>1,444.79</b>
<b>Financial liabilities</b>						
Borrowings	-	-	6,670.82	-	-	10,685.42
Trade payables	-	-	334.78	-	-	326.85
Other financial liabilities	-	-	82.84	-	-	227.95
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,088.44</b>	<b>-</b>	<b>-</b>	<b>11,240.22</b>

\* These financial assets represents investment in equity instruments designated as such upon initial recognition.

The above table excludes Investment in subsidiaries, associate and joint venture, which are measured at cost as per Ind AS 27, 'Separate financial statements'.



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## (iii) Financial assets measured at fair value - recurring fair value measurements

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2019 and 31 March 2018

(₹ in lakhs)

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Investments at fair value through other comprehensive income</b>					
Equity investments	31 March 2019	23,533.85	-	-	23,533.85
	31 March 2018	32,629.19	-	-	32,629.19
<b>Investments carried at fair value through profit or loss</b>					
Mutual Funds	31 March 2019	102.03	-	-	102.03
	31 March 2018	-	-	-	-

## (iv) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in lakhs)

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	-	-	-	-
Other financial assets	Level 3	-	-	-	-
<b>Total financial assets</b>		-	-	-	-
<b>Financial liabilities</b>					
Borrowings	Level 3	6,670.82	6,670.82	10,685.42	10,685.42
Other financial liabilities	Level 3	16.45	16.45	6.25	6.25
<b>Total financial liabilities</b>		<b>6,687.27</b>	<b>6,687.27</b>	<b>10,691.67</b>	<b>10,691.67</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2019 was assessed to be insignificant.

## Note - 32

## Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities.	Sensitivity analysis	Portfolio diversification.

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management****i) Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Medium	Trade receivables	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in lakhs)

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	2,247.62	688.68
B: Medium	Trade receivables	364.26	1,030.79

**ii) Concentration of trade receivables**

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Auto components	62.57	786.74
Consumer electronics	64.43	110.87
IT Industry	135.61	69.05
Others	101.65	64.13
<b>Total</b>	<b>364.26</b>	<b>1,030.80</b>

**b) Credit risk exposure****(i) Provision for expected credit losses**

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets –

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6.44	-	6.44
Trade receivables	364.26	(55.42)	308.84
Other bank balances	57.23	-	57.23
Loans	2,023.09	-	2,023.09
Other financial assets	160.86	-	160.86

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

As at 31 March 2018

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5.74	-	5.74
Trade receivables	1,030.79	(274.68)	756.11
Other bank balances	54.59	-	54.59
Loans	184.40	-	184.40
Other financial assets	443.95	-	443.95

## (ii) Expected credit loss for trade receivables under simplified approach

The Company's trade receivables pertaining to income from sale of products and services has higher credit risk and accordingly allowance for expected credit loss is created using provision matrix approach.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Gross amount of trade receivables	364.26	1,030.79
Expected loss rate	15.21%	26.65%
Expected credit loss (loss allowance provision)	55.42	274.68

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in lakhs)

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance as on 1 April 2017</b>	399.96
Impairment loss recognised	(125.18)
Amounts written off	(0.10)
<b>Loss allowance on 31 March 2018</b>	<b>274.68</b>
Impairment loss recognised	-
Amounts written off	(219.26)
<b>Loss allowance on 31 March 2019</b>	<b>55.42</b>

## (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

## Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lakhs)

31 March 2019	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings	1,617.75	1,268.07	414.78	3,701.18	7,001.78
Trade payable	334.78	-	-	-	334.78
Security deposits	-	16.45	-	-	16.45
Other financial liabilities	66.39	-	-	-	66.39
<b>Total</b>	<b>2,018.92</b>	<b>1,284.52</b>	<b>414.78</b>	<b>3,701.18</b>	<b>7,419.40</b>

(₹ in lakhs)

31 March 2018	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings	1,517.41	2,798.01	1,544.19	5,507.88	11,367.49
Trade payable	326.85	-	-	-	326.85
Security deposits	-	6.25	-	-	6.25
Other financial liabilities	221.70	-	-	-	221.70
<b>Total</b>	<b>2,065.96</b>	<b>2,804.26</b>	<b>1,544.19</b>	<b>5,507.88</b>	<b>11,922.29</b>

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

The Company had access to following funding facilities :

As at 31 March 2019

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	4,025.00	1,473.47	2,551.53
1-2 years	1,125.00	1,125	-
Above 2 years	3,246	3,246	-
<b>Total</b>	<b>8,395.94</b>	<b>5,844.41</b>	<b>2,551.53</b>

As at 31 March 2018

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	1,975.00	1,366.84	608.16
1-2 years	2,653.28	2,653.28	-
Above 2 years	5,763.23	5,763.23	-
<b>Total</b>	<b>10,391.51</b>	<b>9,783.35</b>	<b>608.16</b>

(C) Market risk

(i) Interest rate risk

Liabilities

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	6,670.82	10,679.65
Fixed rate borrowing	-	5.77
<b>Total borrowings</b>	<b>6,670.82</b>	<b>10,685.42</b>

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 25 basis points	16.68	26.70
Interest rates – decrease by 25 basis points	(16.68)	(26.70)

(iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVOCI and FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the year -

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
<b>Price sensitivity</b>		
Price increase by (5%) - FVOCI	1,176.69	1,631.46
Price decrease by (5%) - FVOCI	(1,176.69)	(1,631.46)
Price increase by (5%) - FVTPL	5.10	-
Price decrease by (5%) - FVTPL	(5.10)	-

## Note - 33

Capital management

Risk management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Net debts*	6,664.38	10,681.55
Total equity	37,866.04	41,264.54
<b>Net debt to equity ratio</b>	<b>0.18</b>	<b>0.26</b>

\* Net debt = long-term borrowings + short-term borrowings + current maturities of long-term borrowings + book overdraft + interest accrued - cash and cash equivalents

## Note - 34

## Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

## i) Parties where control exists:

## (a) Holding Company:

- M/s Anadi Investments Private Limited

## (b) Subsidiary:

- Majestic IT Services Limited
- Emirates Technologies Private Limited

## (c) Key Management Personnel (KMP) and their Relatives:

- Mr. Mahesh Munjal (Managing Director)
- Ms. Aashima Munjal (Joint Managing Director)
- Mr. Aayush Munjal (Whole Time Director)
- Ms. Juhi Garg (Company Secretary) with effect from 3rd October 2017
- Mr. Rahul Tiwari (Company Secretary) till 30th August 2017
- Mr. Rajpal Singh Negi (Chief Financial Officer) with effect from 14th November 2017
- Mr. Prakash Chander Patro (Chief Financial Officer) till 30th August 2017

## (d) Enterprises over which Key Management Personnel is able to exercise significant influence with whom transactions has been undertaken:-

- M/s Munjal Showa Limited
- M/s OK Hosiery Mills Private Limited

## ii) Transactions with related parties carried out in the ordinary course of business:

(₹ in lakhs)

S. No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Sale of goods	31 March 2019	-	-	-	-
		31 March 2018	-	-	55.45	55.45
2	Purchase of goods	31 March 2019	-	-	-	-
		31 March 2018	52.76	-	-	52.76
3	Interest paid	31 March 2019	-	8.65	-	8.65
		31 March 2018	-	89.83	-	89.83
4	Rent paid	31 March 2019	-	-	20.16	20.16
		31 March 2018	-	-	2.94	2.94
5	Electricity expenses	31 March 2019	-	-	0.90	0.90
		31 March 2018	-	-	0.07	0.07

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**

S. No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
6	Facility management services	31 March 2019	-	-	-	-
		31 March 2018	500.00	-	-	500.00
7	Maintenance and management expenses	31 March 2019	520.00	-	3.36	523.36
		31 March 2018	70.00	-	0.49	70.49
8	Interest received	31 March 2019	125.41	-	-	125.41
		31 March 2018	30.99	-	-	30.99
9	Advance received for services	31 March 2019	-	-	-	-
		31 March 2018	200.00	-	-	200.00
10	Loan received	31 March 2019	-	458.65	-	458.65
		31 March 2018	-	1,099.75	-	1,099.75
11	Loan given	31 March 2019	560.00	-	-	560.00
		31 March 2018	900.32	-	-	900.32
12	Security deposit given	31 March 2019	4,467.36	-	10.08	4,477.44
		31 March 2018	-	-	-	-
13	Remuneration paid*	31 March 2019	-	168.82	-	168.82
		31 March 2018	-	162.19	-	162.19

\* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Salaries and incentives	165.50	160.89
Gratuity	3.32	1.30

iii) Closing balance with related parties in the ordinary course of business :

(₹ in lakhs)

S. No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Security deposit given	31 March 2019	1,971.00	-	10.08	1,981.08
		31 March 2018	-	-	-	-
2	Loan taken	31 March 2019	-	-	-	-
		31 March 2018	-	1,153.28	-	1,153.28
3	Trade Payable	31 March 2019	117.81	-	0.04	117.85
		31 March 2018	104.05	-	3.82	107.87
4	Remuneration payable	31 March 2019	-	4.41	-	4.41
		31 March 2018	-	1.22	-	1.22
5	Trade receivable	31 March 2019	-	-	-	-
		31 March 2018	-	-	2.85	2.85

## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 35

Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
(a) Guarantees excluding financial guarantees;		
Bank guarantees	44.20	44.20
<b>Total</b>	<b>44.20</b>	<b>44.20</b>

Excise duty/sales tax paid under protest amounting to ₹ Nil (previous years 31 March 2018 ₹ 4.02 lakhs) is appearing under the head balance with government authorities.

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursement in respect of the above contingent liabilities.

(c) Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

## Note - 36

Leases disclosure as lessee

Operating leases

The Company has taken on lease certain assets with lease term of 3 years, which are subject to renewal at mutual consent thereafter. These arrangements can be terminated by either party after giving due notice. The other information pursuant to Ind AS 17 is given hereunder:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Within one year	20.16	20.16
Later than one year but not later than five years	18.67	37.38
Later than five years	-	-

## Note - 37

Employee benefits

## A Gratuity

Risk

<b>Salary increases</b>	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
<b>Investment risk</b>	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
<b>Discount rate</b>	Reduction in discount rate in subsequent valuations can increase the plan's liability.
<b>Mortality and disability</b>	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
<b>Withdrawals</b>	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

## i) Amounts recognized in the balance sheet

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Present value of the obligation	23.87	24.08
Fair value of plan assets	3.84	3.57
Net obligation recognised in balance sheet as provision	<b>20.02</b>	<b>20.51</b>
<b>Current liability (amount due within one year)</b>	<b>15.21</b>	<b>15.58</b>
<b>Non-current liability (amount due over one year)</b>	<b>4.81</b>	<b>4.93</b>

## ii) Expenses recognized in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Actuarial gain/(loss) on asset	-	(0.37)
Actuarial gain/(loss) on present benefit obligation	(4.97)	93.16
Unrecognised actuarial gain at the end of the year	<b>(4.97)</b>	<b>92.79</b>

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**
**iii) Actuarial (gain)/loss on obligation**
**(₹ in lakhs)**

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	0.17	(6.49)
- Changes in experience adjustment	4.80	(86.66)

**iv) Expenses recognised in statement of profit and loss**
**(₹ in lakhs)**

Particulars	31 March 2019	31 March 2018
Current service cost	2.89	3.09
Net interest cost	1.58	9.63
<b>Cost recognised during the year</b>	<b>4.47</b>	<b>12.72</b>

**v) Movement in the liability recognised in the balance sheet is as under:**
**(₹ in lakhs)**

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	24.08	135.75
Current service cost	2.89	3.09
Interest cost	1.86	10.24
Actuarial gain on obligation	4.97	(93.16)
Benefits paid	(9.92)	(31.83)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>23.87</b>	<b>24.08</b>

**vi) Change in plan assets is as under:**
**(₹ in lakhs)**

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the period	3.57	8.02
Actual return on plan assets	0.27	0.23
Employer contribution	-	4.00
Benefits paid	-	(8.68)
<b>Fair value of plan assets at the end of the period</b>	<b>3.84</b>	<b>3.57</b>

**vii) Major categories of plan assets (as percentage of total plan assets)**

Particulars	31 March 2019	31 March 2018
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:**

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.71% - 8.00%
Salary escalation rate	9.00%	7.00% - 9.00%
Retirement Age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

**viii) (b) Maturity profile of defined benefit obligation**
**(₹ in lakhs)**

Particulars	31 March 2019	31 March 2018
0 to 1 year	0.34	0.39
1 to 2 year	0.40	0.39
2 to 3 year	0.43	0.41
3 to 4 year	0.43	0.41
4 to 5 year	0.43	0.42
5 to 6 year	0.74	0.66
6 year onwards	21.10	21.40



## Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## ix) Sensitivity analysis for gratuity liability

		(₹ in lakhs)
Particulars	31 March 2019	31 March 2018
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	23.87	24.08
Impact due to increase of 0.50 %	(1.63)	(0.80)
Impact due to decrease of 0.50 %	1.81	2.09
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	23.87	24.08
Impact due to increase of 0.50 %	1.78	2.08
Impact due to decrease of 0.50 %	(1.62)	(0.81)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change due to these is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

## Note - 38

## Assets pledged as security

The carrying amounts of assets pledged as security are:

		(₹ in lakhs)
Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
<b>Second charge</b>		
Investment in equity instruments valued through OCI	18,439.45	25,565.91
<b>Total non-current assets pledged as security</b>	<b>18,439.45</b>	<b>25,565.91</b>
<b>Current</b>		
<b>First charge</b>		
Margin money	57.23	54.59
<b>Total current assets pledged as security</b>	<b>57.23</b>	<b>54.59</b>
<b>Total assets pledged as security</b>	<b>18,496.68</b>	<b>25,620.50</b>

## Note - 39

## Disclosures as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"

## a) Operating segments

Management currently identifies the Company's three service lines as its operating segments as follows:

- Fine blanking components
- Electricals
- Real estate & management services

During the year ended 31 March 2018, Company has discontinued the 'Fine Blanking Components' and 'Electrical' operations and have included in Discontinued Operations.

## b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

## c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

**Majestic Auto Limited**
**Notes to the Standalone financial statements for the year ended 31 March 2019**

The following tables present revenue and profit information and certain asset and liability information regarding the Company's reportable segments for the years ended 31 March 2019 and 31 March 2018.

(₹ in lakhs)

Particulars	Real estate & management services		Discontinued operations		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Revenue</b>						
Sales to external customers	8,145.58	896.64	240.98	8,384.18	8,386.56	9,280.82
Inter-segment sale					-	-
<b>Segment revenue</b>	<b>8,145.58</b>	<b>896.64</b>	<b>240.98</b>	<b>8,384.18</b>	<b>8,386.56</b>	<b>9,280.82</b>
Interest revenue	128.91	42.13	-	-	128.91	42.13
Interest expense	610.49	583.60	-	618.40	610.49	1,202.00
Depreciation and amortisation	79.42	249.04	-	518.98	79.42	768.02
Write-down of inventories	-	-	-	35.94	-	35.94
Reversal of provisions	-	-	-	130.06	-	130.06
Dividend revenue	874.95	782.85	-	-	874.95	782.85
Disposals of property, plant and equipment	-	-	(1,162.33)	(113.73)	(1,162.33)	(113.73)
<b>Segment result (profit/(loss) before tax)</b>	<b>4,518.76</b>	<b>196.73</b>	<b>(1,262.55)</b>	<b>(1,761.82)</b>	<b>3,256.21</b>	<b>(1,565.09)</b>
Income tax expense	(223.99)	(152.11)	(114.06)	(459.75)	(338.05)	(611.86)
Material non-cash items other than depreciation and amortisation.	-	-	-	-	-	-
<b>Segment assets</b>	<b>45,047.26</b>	<b>47,699.85</b>	<b>195.34</b>	<b>6,764.13</b>	<b>45,242.60</b>	<b>54,463.98</b>
<b>Segment liabilities</b>	<b>7,255.36</b>	<b>11,539.55</b>	<b>121.20</b>	<b>1,659.84</b>	<b>7,376.56</b>	<b>13,199.39</b>
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets	57.83	57.62	-	27.43	57.83	85.05

**Geographical information**

The operations of the Company are mainly carried out in India and therefore, geographical information is not disclosed.

**Information about major customer**

During the year ended 31 March 2019 revenue of approximately 42.93% (previous year 31 March 2018: 38.49%) are derived from a single external customer under 'Real Estate & Management Service Segment' and 'Electrical Segment' respectively.

For **SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

## INDEPENDENT AUDITOR'S REPORT

To The Members of **MAJESTIC AUTO LIMITED**

Report on the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of **MAJESTIC AUTO LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Key Audit Matters

#### 1. Accounting for investments

The Company has investments aggregating ₹ 23,979.75 lakhs in equity shares, liquid mutual funds. These investments are measured either at Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment.

Refer Notes 5A and 5B to the Consolidated Financial Statements

#### 2. Assessment of recoverability of deferred tax asset

As at 31 March 2019, the Group has recognized deferred tax assets of ₹ 2,979.95 lakhs on deductible temporary differences, MAT credit and unused tax losses.

Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions.

Considering, this involves significant judgment and estimates, the same has been considered as key audit matter.

Refer Notes 8 to the Consolidated Financial Statements

#### 3. Related party transaction

The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include transactions in the nature of investments, loans, sales and purchases, etc. as disclosed in Note 36 to the Consolidated Financial Statements.

Considering the significance of transactions with related parties and regulatory compliances thereon, related party transactions and its disclosure as set out in respective notes to the financial statements has been identified as key audit matter.

Refer Notes 36 to the Standalone Financial Statements

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### How our audit addressed the key audit matter

Our audit procedure included the following:

- Read the minutes of the meeting of the board of directors.
- Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments.
- Checked the Fair Market Value (FMV) of the investments in equity for arriving at FVTOCI.

Our audit procedure included the following:

- Obtained an understanding of the process and tested the controls over recording of deferred tax and review of deferred tax at each reporting date;
- We tested the computation of the amounts recognized as deferred tax assets;
- We evaluated management's assumptions used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans;
- We assessed the disclosures on deferred tax included in Note 8 to the financial statements.

Our audit procedure included the following:

- Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions;
- Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length;
- Tested, related party transactions with the underlying contracts, confirmation letters and other supporting documents;
- Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.



## Key Audit Matters

### 4. Conversion of Land and Building from fixed assets into Inventory held for sale

The Group has shut down its manufacturing operations in the previous financial years and has included real estate services as one of the main object clause in Group's Memorandum (dated 16 January 2018).

Accordingly Land and Building amounting to ₹ 6,414.61 lakhs which was earlier part of Fixed Assets has been re-classified as inventory held for sale.

A disclosure in the quarterly results to BSE has also been made to such effect in the Financial statements filed for the quarter ended June 2018 (dated 10 August 2018).

A part of such Land and Building valued at ₹ 1,407.68 lakhs which has been re-classified as inventory was sold for ₹ 5,765.24 lakhs during the year having a significant impact on revenue and profitability of the Group.

Considering, the value involved is significant and is also a matter of re-classification of asset and related valuation is based on assumptions and judgement, the same has been considered as key audit matter.

Refer Notes 2 & 24 to the Consolidated Financial Statements

## How our audit addressed the key audit matter

Our procedure in assessing the management's judgment for re-classification and valuation of assets included, among others, the following:

- We assessed the Group's valuation methodology applied in determining the recoverable amount of the inventory asset;
- We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its inventory;
- We considered the independence, competence and objectivity of the management specialist involved in re-classification of Land and Building into inventory;
- We tested the fair value of the inventory as mentioned in the valuation report to the carrying value in books;
- Involved experts to review the assumptions used by the management specialists. We reviewed the disclosures made in the financial statements, BSE, regarding such inventory.
- Read minutes of shareholder meetings, board meetings and minutes of meetings and the object clause in the Memorandum of Association
- Read the contracts and agreement to sell with respect to sale of such inventory.

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate



in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For SAR & Associates

Chartered Accountants  
Firm Registration no. 122400W

Sd/-

CA Anubhav Goyal  
Partner

Membership No. 123328

Place: Noida  
Date : 18<sup>th</sup> April, 2019

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Majestic Auto Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of MAJESTIC AUTO LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SAR & Associates

Chartered Accountants  
Firm Registration no. 122400W

Sd/-  
CA Anubhav Goyal  
Partner  
Membership No. 123328

Place: Noida  
Date : 18<sup>th</sup> April, 2019

Majestic Auto Limited  
Consolidated Balance sheet as at 31 March 2019

			(₹ in Lakhs)
	Note	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	2,477.02	7,233.58
Investment property	3	24,102.62	24,311.47
Goodwill	4	4,087.37	4,087.37
Other Inangible assets	4	279.28	351.80
Financial assets			
Investment	5 A	23,533.85	32,629.19
Loans	6 A	159.57	332.99
Other financial assets	7 A	68.05	95.91
Deferred tax assets (net)	8	2,455.14	156.05
Non - current tax assets (net)	9	522.61	586.79
Other non-current assets	10 A	7.88	4.50
<b>Total non-current assets</b>		<b>57,693.39</b>	<b>69,789.65</b>
<b>Current assets</b>			
Inventories	11	5,086.01	384.51
Financial assets			
Investment	5 B	445.90	-
Loans	6 B	43.62	-
Trade receivables	12	347.83	979.18
Cash and cash equivalents	13	329.36	38.71
Other bank balances	14	57.23	54.59
Other financial assets	7 B	328.88	526.37
Other current assets	10 B	157.09	273.21
<b>Total current assets</b>		<b>6,795.92</b>	<b>2,256.57</b>
Assets held for sale	15	-	3,609.71
<b>Total assets</b>		<b>64,489.31</b>	<b>75,655.93</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	1,039.82	1,039.82
Other equity	17	37,881.79	40,520.68
<b>Equity attributable to the owners of the parent Company</b>		<b>38,921.61</b>	<b>41,560.50</b>
Non-controlling interests		1,175.24	1,034.78
<b>Total equity</b>		<b>40,096.85</b>	<b>42,595.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18 A	20,759.71	27,065.17
Other financial liabilities	19 A	589.85	844.61
Deferred tax liabilities (net)	20	-	641.36
Provisions	21 A	35.53	12.99
Other non-current liabilities	22 A	364.79	146.65
<b>Total non-current liabilities</b>		<b>21,749.88</b>	<b>28,710.78</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18 B	14.36	535.33
Trade payables	23	253.36	309.11
Other financial liabilities	19 B	1,933.13	2,046.95
Other current liabilities	22 B	429.27	536.62
Provisions	21 B	12.46	23.26
<b>Total current liabilities</b>		<b>2,642.58</b>	<b>3,451.27</b>
Liabilities directly associated with assets classified as held for sale		-	898.60
<b>Total equity and liabilities</b>		<b>64,489.31</b>	<b>75,655.93</b>

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For **SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264



**MAJESTIC AUTO LIMITED**
**Majestic Auto Limited**  
**Consolidated Statement of profit and loss for the ended 31 March 2019**

		(₹ in Lakhs)	
	Note	31 March 2019	31 March 2018
<b>Revenue</b>			
Revenue from operations	24	11,670.26	5,577.24
Other income	25	1,022.79	877.68
<b>Total revenue</b>		<b>12,693.05</b>	<b>6,454.92</b>
<b>Expenses</b>			
Cost of operation and services		2,789.02	1,062.78
Employee benefits expenses	26	445.34	455.60
Finance costs	27	2,160.74	2,297.12
Depreciation and amortisation expense	28	698.55	819.34
Other expenses	29	940.43	733.59
<b>Total expenses</b>		<b>7,034.08</b>	<b>5,368.43</b>
<b>Profit before tax from continuing operations</b>		<b>5,658.97</b>	<b>1,086.49</b>
<b>Tax expense</b>	30		
Current tax		770.91	177.68
Less : MAT Credit		-440.53	-
Deferred tax		-320.46	-137.18
Earlier years tax adjustments (net)		-0.17	8.63
<b>Profit from continuing operations</b>		<b>5,649.22</b>	<b>1,037.36</b>
<b>Discontinued operations</b>	31		
Loss from discontinued operation before tax		-1,262.55	-1,761.81
Tax expense/(credit) of discontinued operations		-114.06	-459.75
Loss from discontinued operation		-1,148.49	-1,302.06
<b>Profit/(Loss) for the year</b>		<b>4,500.73</b>	<b>-264.70</b>
<b>Other comprehensive income</b>			
Re-measurement gain on defined benefit plans		-11.32	93.74
Less: Income tax expense relating to items that will not be reclassified to profit and loss		1.02	-24.12
Gain/(Loss) on fair value of FVOCI equity instruments		-9,092.71	3,263.23
Less: Income tax expense/(credit) relating to items that will not be reclassified to profit and loss		2,103.90	-245.33
<b>Total other comprehensive income for the year</b>		<b>-6,999.11</b>	<b>3,087.52</b>
<b>Total comprehensive income for the year</b>		<b>-2,498.38</b>	<b>2,822.82</b>
<b>Profit attributable to:</b>			
Owners		4,360.27	-359.73
Non-controlling interests		140.46	95.03
<b>Other comprehensive income attributable to:</b>			
Owners		-6,999.11	3,087.52
Non-controlling interests		-	-
<b>Total comprehensive income attributable to:</b>			
Owners		-2,638.84	2,727.79
Non-controlling interests		140.46	95.03
<b>Earnings per equity share (for continuing operations):</b>	32		
Basic (₹)		54.33	9.98
Diluted (₹)		54.33	9.98
<b>Earnings per equity share (for discontinued operations):</b>			
Basic (₹)		-11.05	-12.52
Diluted (₹)		-11.05	-12.52
<b>Earnings per equity share (for discontinued and continuing operations):</b>			
Basic (₹)		43.28	-2.54
Diluted (₹)		43.28	-2.54

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For **SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W  
  
Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

Place : Noida  
Date : 18 April 2019



Majestic Auto Limited  
Statement of changes in equity as at 31 March 2019

## A Equity share capital\*

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Equity share capital	1,039.82	-	1,039.82	-	1,039.82

## B Other equity\*\*

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Total other equity	Non-controlling interest	Total
	General reserve	Securities premium reserve	Retained earnings	Equity instruments through other comprehensive income			
Balance as at 1 April 2017	500.00	129.52	13,890.07	23,273.30	37,792.89	939.75	38,732.64
Loss for the period	-	-	(359.73)	-	-359.73	95.03	(264.70)
Other comprehensive income (net of tax)	-	-	69.62	3,017.90	3,087.52	-	3,087.52
Transfer on disposal of equity investment	-	-	2,113.71	-2,113.71	-	-	-
Balance as at 31 March 2018	500.00	129.52	15,713.67	24,177.49	40,520.68	1,034.78	41,555.46
Profit/(Loss) for the period	-	-	4,360.22	-	4,360.22	140.46	4,500.68
Other comprehensive income (net of tax)	-	-	-10.30	(6,988.81)	(6,999.11)	-	(6,999.11)
Transfer on disposal of equity investment	-	-	-	-	-	-	-
Balance as at 31 March 2019	500.00	129.52	20,063.59	17,188.68	37,881.79	1,175.24	39,057.03

\*Refer Note - 16 for details

\*\*Refer Note - 17 for details

For SAR & Associates  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
CA Anubhav Goyal  
Partner  
Membership No. 123328

Place : Noida  
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For and on behalf of Majestic Auto Limited

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Sd/-  
(Vikas Nanda)  
Director  
DIN 00106264

Majestic Auto Limited  
**Consolidated Cash Flow Statement for the year ended 31 March 2019**

	31 March 2019	(₹ in lakhs) 31 March 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax from		
Continuing operations	5,658.97	1,086.49
Discontinued operations	(1,262.55)	(1,761.81)
<b>Loss before tax including discontinued operations</b>	<b>4,396.42</b>	<b>(675.32)</b>
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	698.55	1,338.32
Loss/(gain) on disposal of fixed assets (net)	1,159.20	113.73
Interest income	(16.13)	(13.55)
Dividend income	(874.95)	(782.85)
Balances written off	34.90	21.54
Gain on investment FVTPL	(15.90)	
Allowance for doubtful debts/liability write back	(4.62)	(141.01)
Finance costs	2,160.74	2,915.52
<b>Operating profit before working capital changes</b>	<b>7,538.21</b>	<b>2,776.38</b>
<b>Movement in working capital</b>		
Decrease in inventories	305.41	1,454.48
(Increase)/decrease in other financial assets	206.91	(396.06)
Decrease/(increase) in trade receivables	621.50	2,368.34
(Increase)/decrease other non-current assets	(3.38)	(21.83)
Decrease in other current assets	180.06	272.82
Decrease in other financial liabilities	1,155.92	(74.48)
Increase/(decrease) in other non-current liability	218.14	43.74
Increase in other current liability	(107.35)	1,160.44
(Decrease)/increase in provisions	0.42	(11.42)
(Decrease)/increase in trade and other payables	(41.91)	(3,041.55)
<b>Cash flow from operating activities post working capital changes</b>	<b>10,073.94</b>	<b>4,530.86</b>
Income tax paid (net)	(220.94)	(158.13)
<b>Net cash flow from operating activities (A)</b>	<b>9,853.00</b>	<b>4,372.73</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(66.21)	(130.48)
Payments for investment properties	(324.20)	(195.85)
Purchases of short-term investments	(530.00)	-
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	761.69	3,140.63
Proceeds from sale of investments	102.63	2,236.96
Redemption in margin money	(2.64)	(45.04)
Cash loans and advances	(1,264.28)	(39.13)
Dividend received	874.95	782.85
Interest received	3.50	12.18
<b>Net cash flow from investing activities (B)</b>	<b>(444.56)</b>	<b>5,762.12</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	4,199.57	7,849.61
Repayment of borrowings	(11,263.80)	(15,179.15)
Repayment of finance lease	(28.87)	(28.86)
Interest paid	(2,024.68)	(2,785.59)
<b>Net cash used in financing activities (C)</b>	<b>(9,117.78)</b>	<b>(10,143.99)</b>
Decrease in cash and cash equivalents (A+B+C)	290.65	(9.14)
Cash and cash equivalents at the beginning of the year	38.71	45.98
<b>Cash and cash equivalents at the end of the year*</b>	<b>329.36</b>	<b>36.84</b>

\*Net of bank overdraft Nil (31 March 2018: ₹ 1.87 lakhs).

This is the cash flow statement referred to in our report of even date.

For **SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

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**(Rajpal Singh Negi)**  
Chief Financial Officer

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**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

## Majestic Auto Limited

## Notes to the consolidated financial statements for the year ended 31 March 2019

**1. Corporate information**

Majestic Auto Limited (the 'Company' or 'Parent') is a public company together with its subsidiaries (collectively referred to as 'Group') was engaged primarily in the business of manufacturing fine blanking components, electrical components and others. The Group discontinued its electrical and fine blanking business to curtail losses. The Group is also engaged in the business of leasing, provision of maintenance services and intends to focus on provision of these services in future. The Company is domiciled in India and its registered office is situated at C-48, Focal Point, Ludhiana, Punjab -141010, India.

**1.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP". The consolidated financial statements for the year ended 31 March 2018 are the first Ind AS consolidated financial statements of the Group. As per the principles of Ind AS 101, the transition date to Ind AS is 1 April 2016 and hence the comparatives for the previous year ended 31 March 2017 & balances as on 1 April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Refer note 44 for understanding the transition from previous GAAP to Ind AS and its effect on the Group's financial position and financial performance.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

The consolidated financial statements for the year ended 31 March 2018 were authorized and approved by the Board of Directors on 14 May 2018.

**1.2 Use of estimates**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated

financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**1.3 Significant accounting policies****Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

**1.4 Significant accounting policies**

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

**a) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:



# Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

- \* Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### b) Inventory

Inventories are valued as follows:

#### Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

#### Raw material, components, stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

#### Scrap

Scrap is valued at net realisable value.

#### Goods in transit

Goods in transit are value at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### c) Property, plant and equipment

#### Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

#### Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. Leasehold land is amortised over the period of lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

#### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

### d) Intangible assets

#### Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried cost less accumulated impairment losses.

#### Other intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

#### Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Computer software	5 years

*De-recognition*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) **Investment property***Recognition and initial measurement*

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

*De-recognition*

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period of de-recognition.

f) **Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate

that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) **Foreign currency transactions***Functional and presentation currency*

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional and presentation currency.

*Foreign currencies**Initial recognition*

Transactions in foreign currencies are initially recorded at exchange rates at the date the transaction first qualifies for recognition.

*Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other

## Majestic Auto Limited

### Notes to the Consolidated financial statements for the year ended 31 March 2019

comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

#### i) Leases

##### Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

##### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial results on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

#### k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

The Group applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

##### Sale of goods and services

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

##### Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

**Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**Rental income**

Rental income is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

**l) Financial instruments***Recognition and initial measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

*Subsequent measurement***Financial assets**

- i. **Financial assets carried at amortised cost** – A financial instrument is measured at amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing

financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**m) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

As a practical expedient the Group has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three- years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**n) Retirement and other employee benefits****Provident and Superannuation fund**

Retirement benefit in the form of provident and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident and superannuation fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided and superannuation fund.

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan (administered through Life Insurance Corporation of India), which is a defined benefit plan, is calculated



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

**Accumulated leaves**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**Other short-term benefits**

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

**o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will

be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

**q) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

*Identification of segments*

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

*Allocation of common costs*

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Group as a whole.

**r) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**s) Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realization of income is virtually certain.

### 1.5 Significant management judgments in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management judgments*

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Provisions, contingent liabilities and contingent assets** – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### *Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

#### **Valuation of investment property**

Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters, and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

Majestic Auto Limited

## Notes to the Standalone financial statements for the year ended 31 March 2019

## Note - 2

## Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant and equipment	Computers	Furniture and fixtures	IT equipment	Office equipment	Vehicles	Total
<b>Gross block</b>										
At 1 April 2017	442.98	3,245.75	6,645.89	17,990.85	17.21	163.40	-	311.79	309.10	29,126.97
Additions	-	-	15.13	29.38	4.71	0.62	9.88	34.21	36.57	130.50
Transferred to stock in trade/held for sale	(442.98)	-	(2,115.18)	(4,712.84)	-	-	-	-	-	(7,271.00)
Disposals/transfer	-	-	(6.73)	(13,305.33)	-	(11.67)	-	(73.67)	(3.99)	(13,401.39)
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>3,245.75</b>	<b>4,539.11</b>	<b>2.06</b>	<b>21.92</b>	<b>152.35</b>	<b>9.88</b>	<b>272.33</b>	<b>341.68</b>	<b>8,585.08</b>
Additions	-	-	-	-	0.51	2.25	-	7.03	56.42	66.21
Transferred to stock in trade	-	(3,245.75)	(2,255.55)	-	-	-	-	-	-	(5,501.30)
Disposals/transfer	162.67	-	-	-	-	-	-	(27.78)	(64.43)	70.46
<b>Balance as at 31 March 2019</b>	<b>162.67</b>	<b>-</b>	<b>2,283.56</b>	<b>2.06</b>	<b>22.43</b>	<b>154.60</b>	<b>9.88</b>	<b>251.58</b>	<b>333.67</b>	<b>3,220.45</b>
<b>Accumulated depreciation</b>										
At 1 April 2017	-	235.06	1,288.31	12,363.89	14.43	100.88	-	267.09	121.04	14,390.70
Charge for the year	-	36.16	169.54	515.01	1.50	6.31	0.55	9.35	38.24	776.66
Disposals/transfer	-	-	(866.38)	(12,878.71)	-	(11.67)	-	(55.42)	(3.70)	(13,815.88)
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>271.22</b>	<b>591.47</b>	<b>0.19</b>	<b>15.93</b>	<b>95.52</b>	<b>0.55</b>	<b>221.02</b>	<b>155.58</b>	<b>1,351.48</b>
Charge for the year	-	-	35.88	0.18	2.34	6.37	1.56	10.75	35.91	92.99
Disposals/transfer	(271.22)	(351.30)	-	-	-	-	-	(26.39)	(52.13)	(701.04)
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>276.05</b>	<b>0.37</b>	<b>18.27</b>	<b>101.89</b>	<b>2.11</b>	<b>205.38</b>	<b>139.36</b>	<b>743.43</b>
<b>Net block as at 31 March 2018</b>	<b>-</b>	<b>2,974.53</b>	<b>3,947.64</b>	<b>1.87</b>	<b>5.99</b>	<b>56.83</b>	<b>9.33</b>	<b>51.31</b>	<b>186.10</b>	<b>7,233.60</b>
<b>Net block as at 31 March 2019</b>	<b>162.67</b>	<b>-</b>	<b>2,007.51</b>	<b>1.69</b>	<b>4.16</b>	<b>52.71</b>	<b>7.77</b>	<b>46.20</b>	<b>194.31</b>	<b>2,477.02</b>

## (i) Conversion of Capital Assets into Stock-in-trade

As on 1 April 2018 following Assets has converted into Stock;

Particulars	Gross Block	Accumulated Depreciations	Net Block
Freehold Land	280.31	-	280.31
Leasehold Land	3,245.75	271.22	2,974.53
Factory Building	4,370.72	1,210.95	3,159.77
<b>Total</b>	<b>7,896.78</b>	<b>1,482.17</b>	<b>6,414.61</b>

## (ii) Discontinued operations

Depreciation for the current year includes depreciation for discontinued operations Nil (31 March 2018: ₹ 518.98 lakhs).

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 3

## Investment property

(₹ in lakhs)

Particulars	Plant and equipment	Furniture and fixtures	Leasehold land	Building	Assets given on lease to Tenants	Total
<b>Gross block</b>						
At 1 April 2017	12.91	579.73	1,977.62	24,018.01	-	26,588.27
Additions	130.01	53.09	-	12.75	-	195.85
Disposals/assets written off	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>142.92</b>	<b>632.82</b>	<b>1,977.62</b>	<b>24,030.76</b>	<b>-</b>	<b>26,784.12</b>
Additions	9.45	6.35	-	2.29	306.11	324.20
Disposals/assets written off	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>152.37</b>	<b>639.17</b>	<b>1,977.62</b>	<b>24,033.05</b>	<b>306.11</b>	<b>27,108.32</b>
<b>Accumulated amortisation</b>						
At 1 April 2017	6.33	290.40	25.04	1,661.41	-	1,983.18
Charge for the year	2.27	69.08	25.03	393.10	-	489.48
Adjustments for disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>8.60</b>	<b>359.48</b>	<b>50.07</b>	<b>2,054.51</b>	<b>-</b>	<b>2,472.66</b>
Charge for the year	10.30	71.88	25.03	393.27	32.56	533.04
Adjustments for disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>18.90</b>	<b>431.36</b>	<b>75.10</b>	<b>2,447.78</b>	<b>32.56</b>	<b>3,005.70</b>
<b>Net block as at 31 March 2018</b>	<b>134.32</b>	<b>273.34</b>	<b>1,927.55</b>	<b>21,976.25</b>	<b>-</b>	<b>24,311.46</b>
<b>Net block as at 31 March 2019</b>	<b>133.47</b>	<b>207.81</b>	<b>1,902.52</b>	<b>21,585.27</b>	<b>273.55</b>	<b>24,102.62</b>

## (a) Contractual obligations

Refer Note - 37 for disclosure of contractual commitments for the acquisition of leasehold land and Note - 38 for finance leases disclosure.

## (b) Amounts recognised in profit &amp; loss for investment properties:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Rental income	3,524.68	3,305.26
Direct operating expenses generating rental income (including repair and maintenance)	2,135.71	2,154.93
Direct operating expenses that did not generate rental income (including repair and maintenance)		
<b>Profit from investment properties before depreciation</b>	<b>1,388.97</b>	<b>1,150.33</b>
Depreciation	533.04	489.50
<b>Profit from investment properties</b>	<b>855.93</b>	<b>660.83</b>

## (c) Leasing arrangements

The investment property is leased to tenants under long-term operating leases with rentals payable monthly. Future minimum lease payments receivable under long-term operating leases of investment property in the aggregate is ₹ 21,368.61 lakhs (31 March 2018: ₹ 8,903.24 lakhs) and for each of the following period:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Within one year	3,504.47	3,103.68
Later than one year but not later than 5 years	11,930.69	4,476.60
Later than 5 years	5,933.45	1,322.96

## (d) Fair value

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Fair value	36,459.54	38,279.87

## (e) Fair value hierarchy and valuation technique:

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using the land and building method.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

Note - 4  
Intangible assets

					(₹ in lakhs)
Particulars	Intangible assets	Softwares	Trade mark and licenses	Total	Goodwill
<b>Gross block</b>					
At 1 April 2017	762.29	57.49	0.38	820.16	4,087.37
Additions	-	-	-	-	-
Disposals	-	(9.66)	-	(9.66)	-
<b>Balance as at 31 March 2018</b>	<b>762.29</b>	<b>47.83</b>	<b>0.38</b>	<b>810.50</b>	<b>4,087.37</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>762.29</b>	<b>47.83</b>	<b>0.38</b>	<b>810.50</b>	<b>4,087.37</b>
<b>Accumulated amortisation</b>					
At 1 April 2017	353.55	34.80	0.25	388.60	-
Charge for the year	70.04	2.11	0.04	72.19	-
Disposals	-	(2.09)	-	(2.09)	-
<b>Balance as at 31 March 2018</b>	<b>423.59</b>	<b>34.82</b>	<b>0.29</b>	<b>458.70</b>	-
Charge for the year	70.04	2.44	0.04	72.52	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>493.63</b>	<b>37.26</b>	<b>0.33</b>	<b>531.22</b>	-
<b>Net block as at 31 March 2018</b>	<b>338.70</b>	<b>13.01</b>	<b>0.09</b>	<b>351.80</b>	<b>4,087.37</b>
<b>Net block as at 31 March 2019</b>	<b>268.66</b>	<b>10.57</b>	<b>0.05</b>	<b>279.28</b>	<b>4,087.37</b>

## Note - 5

		31 March 2019	31 March 2018
<b>A Investments</b>			
<b>Investment in equity instruments</b>			
<b>Equity investment in others (quoted, at market value)</b>			
Fair value through other comprehensive income			
921,000 (31 December 2017 - 921,000) equity shares of Hero Moto Corp Ltd.		23,533.85	32,629.19
		<b>23,533.85</b>	<b>32,629.19</b>
Aggregate amount of quoted investments		<b>1,891.85</b>	<b>1,891.85</b>
Aggregate market value of quoted investments		<b>23,533.85</b>	<b>32,629.19</b>
Aggregate amount of impairment in the value of investments		-	-
* Equity investment in others valued at fair value through other comprehensive income have been pledged as security for liabilities, for details refer Note - 40			
<b>B Investments - current</b>			
<b>Investment in Mutual Fund</b>			
<b>Investment carried at fair value through profit or loss (quoted, at market value)</b>			
254 units in Franklin India Short Term Income Plan Retail Plan Growth		10.14	-
49,103 units in HDFC Short Term Debt Fund - REG Plan - GP		10.13	-
56,879 units in L&T Short Term Bond Fund - Growth		10.15	-
119,773 units in ICI Pru Banking and PSU Debt Fund - GR		25.42	-
159,089 units in IDFC Bnking & PSU Debt Fund-RP-G		25.58	-
194,522 units in Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth		51.10	-
200,000 units in Master Trust iRage ARF Class A1		211.35	-
2,878 units in Axis Banking & PSU Debt Direct-G		50.91	-
315,169 units in IDFC Banking & PSU Debt Direct-G		51.12	-
		<b>445.90</b>	<b>-</b>
Aggregate amount of quoted investments		430.00	-
Aggregate market value of quoted investments		445.90	-



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

	31 March 2019	31 March 2018
<b>Note - 6</b>		
<b>A Loans</b>		
(Unsecured, considered good)		
Security deposits	159.57	333.00
	<b>159.57</b>	<b>333.00</b>
<b>B Loans - current</b>		
(Unsecured, considered good)		
Security deposits	43.62	-
	<b>43.62</b>	<b>-</b>

**Note - 7**

<b>A Other financial assets - non-current</b>		
(Unsecured, considered good)		
Unbilled receivables	68.05	95.91
	<b>68.05</b>	<b>95.91</b>
<b>B Other financial assets - current</b>		
(Unsecured, considered good)		
Unbilled receivables	213.04	512.96
Advances recoverable in cash	102.96	13.41
Accrued Income	12.63	-
Others	0.25	-
	<b>328.88</b>	<b>526.37</b>

**Note - 8**

<b>Deferred tax assets (net)</b>		(₹ in lakhs)
<b>Deferred tax asset arising on account of :</b>		
Minimum alternative tax credit *	1,643.49	264.32
Expected credit loss of financial asset	0.67	0.67
Financial instruments measured at amortised cost	0.20	0.17
Employee benefits	6.42	-
Allowances for doubtful debts	11.41	-
Conversion of capital assets into stock in trade	1,102.96	-
Property, plant and equipment and other intangible assets	36.85	-
Unabsorbed business losses and depreciation**	4,194.33	-
<b>Deferred tax liabilities arising on account of :</b>		
Financial instruments measured at amortised cost	(36.91)	(49.59)
Straightlining of rental income	(48.34)	(59.53)
Investment in fair value instruments measured at FVOCI	(4,455.94)	-
	<b>2,455.14</b>	<b>156.04</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Movement in deferred tax assets (net)

Particulars	31 March 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Minimum alternative tax credit utilised	31 March 2019
<b>Assets</b>					
Minimum alternative tax credit *	1,242.45	440.54	-	(39.50)	1,643.49
Expected credit loss of financial asset	0.67	-	-	-	0.67
Financial instruments measured at amortised cost	0.17	0.03	-	-	0.20
Employee benefits	10.55	(5.15)	1.02		6.42
Allowances for doubtful debts	80.02	(68.61)	-		11.41
Conversion of capital assets into stock in trade	-	1,102.96	-		1,102.96
Property, plant and equipment and other intangible assets	(593.22)	630.07	-		36.85
Unabsorbed business losses and depreciation**	5,443.01	(1,248.68)	-		4,194.33
<b>Liabilities</b>					
Financial instruments measured at amortised cost	49.59	(12.68)	-	-	36.91
Straightlining of rental income	59.53	(11.19)	-	-	48.34
Investment in fair value instruments measured at FVOCI	6,559.84	-	(2,103.90)	-	4,455.94
<b>Total</b>	<b>(485.31)</b>	<b>875.03</b>	<b>2,104.92</b>	<b>(39.50)</b>	<b>2,455.14</b>

Particulars	31 March 2017	Recognised in statement of profit and loss	Minimum alternative tax credit utilised	31 March 2018
<b>Assets</b>				
Minimum alternative tax credit *	291.99	289.12	-	264.32
Expected credit loss on financial assets	0.59	-	-	0.67
Financial instruments measured at amortised cost	0.11	-	-	0.17
<b>Liabilities</b>				
Financial instruments measured at amortised cost	26.09	-	26.09	49.59
Straightlining of rental income	67.97	89.48	(21.51)	59.53
<b>Total</b>	<b>198.64</b>	<b>199.64</b>	<b>(4.58)</b>	<b>156.04</b>

## \* Expiry date of minimum alternative tax credit

(₹ in lakhs)

Expiry year	31 March 2019	31 March 2018
1 April 2024 - 31 March 2025	23.68	-
1 April 2025 - 31 March 2026	115.83	-
1 April 2026 - 31 March 2027	64.79	-
1 April 2029 - 31 March 2030	991.70	257.37
1 April 2032 - 31 March 2033	6.95	6.95
1 April 2034 - 31 March 2035	440.53	-
<b>Total</b>	<b>1,643.48</b>	<b>264.32</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Expiry date of unused tax losses and depreciation for which no deferred tax asset has been recognised:

Expiry year	31 March 2019	31 March 2018
Unused tax losses		
1 April 2021 - 31 March 2022	304.84	304.84
1 April 2022 - 31 March 2023	1,924.89	2,035.01
1 April 2023 - 31 March 2024	2,616.50	2,743.59
1 April 2024 - 31 March 2025	903.84	903.84
1 April 2025 - 31 March 2026	1,541.39	1,541.39
1 April 2026 - 31 March 2027	1,291.46	1,842.92
1 April 2027 - 31 March 2028	2,203.71	-
Unabsorbed depreciation for indefinite period	10,246.90	10,020.58
<b>Total</b>	<b>21,033.53</b>	<b>19,392.17</b>

## Note - 9

<b>Non - current tax assets (net)</b>		(₹ in lakhs)
Advance income tax	1,241.75	877.74
Less: Provision for taxation	-719.14	-290.95
	<b>522.61</b>	<b>586.79</b>

## Note - 10

<b>B Other non-current assets</b> <b>(Unsecured, considered good)</b>		
Prepaid expenses	7.88	4.50
	<b>7.88</b>	<b>4.50</b>
<b>B Other current assets</b> <b>(Unsecured, considered good)</b>		
Advances to suppliers	59.34	169.32
Prepaid expenses	36.28	19.89
Balance with government authorities	60.87	83.41
Others	0.60	0.60
	<b>157.09</b>	<b>273.22</b>

## Note - 11

<b>Inventories</b>		
<b><u>Manufacturing Operation</u></b>		
<b>(Lower of cost or net realizable value)</b>		
Finished goods	-	33.34
Raw materials and components	20.00	117.89
Stores and spares	40.98	154.11
Stock in Diesel	18.12	-
Loose tools	-	22.42
Scrap	-	4.75
Work-in-progress	-	52.00
<b><u>Real Estate</u></b>		
Land	3,102.67	-
Building	1,904.24	-
	<b>5,086.01</b>	<b>384.51</b>

## Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ Nil (31 March 2018 - ₹ 35.94 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' in statement of profit and loss.

## Note - 12

		(₹ in lakhs)
<b>Trade receivables</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>(Unsecured, considered good)</b>		
Considered good	347.83	981.23
Considered doubtful	55.42	274.68
	<b>403.25</b>	<b>1,255.91</b>
Less: Allowance for expected credit loss	-55.42	-276.73
	<b>347.83</b>	<b>979.18</b>

\*for related party balances (refer Note - 36)

**Majestic Auto Limited**
**Notes to the Consolidated financial statements for the year ended 31 March 2019**
**Note - 13**
**Cash and cash equivalents**

Cash on hand	7.57	6.81
Cheques/drafts on hand	-	5.35
Balances with banks		
In current accounts	6.79	26.55
In fixed deposits	315.00	
	<b>329.36</b>	<b>38.71</b>

**Note - 14**
**Other bank balances**

Margin money *	57.23	54.59
	<b>57.23</b>	<b>54.59</b>

\* Pledged as security for letters of credit/bank guarantees, for details refer Note - 40.

**Note - 15**
**Assets and liabilities classified as held for sale**

During the year, management decided to discontinue 'Fine Blanking Components' and 'Electricals' divisions due to lack of viable orders, profitability and capital investment requirements for new technology. Consequently, certain assets and liabilities were classified as a disposal group.

**Assets classified as held for sale**

Freehold land	-	442.98
Buildings	-	1,255.53
Plant and equipment	-	1,911.20

**Total assets held for sale**

**3,609.71**

**Liabilities directly associated with assets classified as held for sale**

Advance received against sale of assets	-	(898.60)
---	---	----------

**Total liabilities held for sale**

**(898.60)**

**Note - 16**
**Equity share capital**

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
<b>i Authorised</b>	1,50,00,000	1,500.00	1,50,00,000	1,500.00
15,00,00,000 Equity shares of ₹ 10/- each with voting rights				
25,00,00,000 Preference shares of ₹ 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
		<b>4,000.00</b>		<b>4,000.00</b>
<b>ii Issued share capital</b>				
Equity share capital of face value of ₹ 10 each	1,03,98,978	1,039.90	1,03,98,978	1,039.90
		<b>1,039.90</b>		<b>1,039.90</b>
<b>iii Subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10/- each	1,03,97,478	1,039.82	1,03,97,478	1,039.82
Add: Shares forfeited (amount paid up)	-	-	-	-
		<b>1,039.82</b>		<b>1,039.82</b>
<b>iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Balance at the beginning of the year	1,03,97,478	1,039.82	1,03,97,478	1,039.82
Add : Shares forfeited during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,03,97,478</b>	<b>1,039.82</b>	<b>1,03,97,478</b>	<b>1,039.82</b>

**v Rights, preferences and restrictions attached to equity shares**

The Group has one class of equity shares with paid up value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the Group, if declared by the board as interim dividend and recommended by the board & declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by group from time to time.



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, beside other rights available under the Companies Act.

The distribution will be in proportion to the number of equity shares held by the shareholders.

## vi Details of shareholder holding more than 5% share capital

Name of the equity shareholders	Number	%	Number	%
M/s Anandi Investments Private Limited	77,57,687	74.61%	77,57,687	74.61%

## vii Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Group has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

1500 equity shares of ₹ 10 per share were forfeited by Group against unpaid call money of ₹ 5 per equity share.

## Note - 17

## Other equity

## (i) Nature and purpose of other reserves

## General reserve

General reserve is created out of the accumulated profits of the Group as per the provisions of Companies Act.

## Retained earnings

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

## Securities premium reserve

Securities premium reserve represents the amount received in excess of par value of securities (equity shares). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

## Other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments and gain/(loss) booked on re-measurement of defined benefit plans.

## Note - 18

	31 March 2019	31 March 2018
<b>A Borrowings</b>		
<b>Secured</b>		
Term loans		
From bank	20,137.29	25,387.76
Vehicle loan	23.94	50.06
Long-term maturities of finance lease obligation	492.60	474.06
<b>Unsecured</b>		
From related parties		
From directors	105.88	1,153.28
	<b>20,759.71</b>	<b>27,065.16</b>

**Majestic Auto Limited**
**Notes to the Consolidated financial statements for the year ended 31 March 2019**

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2019	31 March 2018
<b>Secured</b>					
HDFC Bank - Term Loan	'Primary hypothecate by way of subservient charges on all movable plant and machinery, fixed assets both present and future of the Company and secondary by pledge of equity shares of Hero Motocorp Limited.	Quarterly instalments of ₹ 375 lakhs till November 2020.	The rate of interest ranges from 7.85% to 10%.	2,250.00	3,000.00
HDFC Bank - Overdraft		Repayable after one year or rollover for further period.	The rate of interest ranges from 8% to 9.30%.	348.07	991.83
Deutsche Bank				3,246.33	4,638.23
HDFC Bank - Term Loan	Assignment of lease rental receivables from lessee, equitable mortgage on land and building, personal guarantee of Mahesh Munjal and Aashima Munjal	Equal monthly instalment for 12 years	8.65% to 10.65%	14,872.94	17,401.30
<b>Housing loan</b>					
Punjab National Bank	Mortgage of flat no. C-100 (Block C), first floor, southern avenue, Maharani Bagh, New Delhi	180 equated monthly instalments of ₹ 11.05 lakhs each.	The rate of interest ranges from 8.65% to 9.75%.	793.18	854.56
<b>Vehicle loan</b>					
ICICI Bank	Vehicle loan is secured by mortgage of vehicle of the Company	36 EMI of ₹ 3.14 lakhs each.	10.09% per annum.	-	5.77
Canara Bank		60 EMI of ₹ 0.54 lakhs each	9.45% per annum.	9.85	15.07
Canara Bank		84 EMI of ₹ 0.47 lakhs each	9.00% per annum.	23.39	26.68
Canara Bank		EMI of 84 months	8.95% to 9.85%	-	19.99
Drop line overdraft limit	Primary hypothecation on entire current assets including receivables. Collateral pledge of Hero Motocorp shares of ₹ 12.50 crores owned by Majestic Auto Limited. Personal guarantee of Directors Mahesh Munjal and Aashima Munjal.	Monthly reduction of limit by ₹ 10.40 lakhs in 96 months	8.40% to 9.05%	4.18	90.36
Long term maturities of finance lease obligation	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments	10%	521.46	502.92
<b>Unsecured</b>					
Loan from Directors	Unsecured	Repayable as per terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of loans.	10% to 10.25%	105.88	1,153.28
				<b>22,175.28</b>	<b>28,699.99</b>

**B Borrowings - current**
**Secured**

 Overdraft facility:  
From banks

14.36      467.87

**Unsecured**

 From related parties  
Loan from director

-      67.46

**14.36      535.33**

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2019	31 March 2018
<b>Secured</b>					
Bank overdraft	Primary hypothecation on entire current assets including receivables. Collateral - Personal guarantee of Directors Mahesh Munjal and Aashima Munjal.	On demand	The rate of interest ranges from 8.90% to 11.50%.	14.36	467.87
<b>Unsecured</b>					
Loan from Directors	Unsecured	On demand	10%	-	67.46
				<b>14.36</b>	<b>535.33</b>

**Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
<b>1 April 2017</b>	<b>34,065.44</b>	<b>1,996.53</b>	<b>486.05</b>	<b>36,548.02</b>
<b>Cash flows:</b>				
- Repayment	-8,221.78	-6,957.38	-28.86	-15,208.02
- Proceeds	2,353.42	5,496.18	-	7,849.60
<b>Non-cash:</b>				
- Interest expense	-	-	45.72	45.72
<b>31 March 2018</b>	<b>28,197.08</b>	<b>535.33</b>	<b>502.91</b>	<b>29,235.32</b>
<b>Cash flows:</b>				
- Repayment	-8,792.97	-2,470.84	-28.86	-11,292.67
- Proceeds	2,249.71	1,949.86	-	4,199.57
<b>Non-cash:</b>				
- Interest expense	-	-	47.41	47.41
<b>31 March 2019</b>	<b>21,653.82</b>	<b>14.35</b>	<b>521.46</b>	<b>22,189.63</b>

**Note - 19****A Other financial liabilities - non-current**

Security deposits

589.85	844.61
<b>589.85</b>	<b>844.61</b>

**B Other financial liabilities - current**

Current maturity of long-term borrowings  
Current maturities of finance lease obligations  
Security deposits  
Book overdraft with banks  
Salary payable  
Interest accrued but not due  
Other payables\*

1,386.71	1,605.97
28.86	28.86
353.88	87.40
-	1.87
15.90	12.70
56.46	62.87
91.32	247.28
<b>1,933.13</b>	<b>2,046.95</b>

\*Other payables represents provision for expenses at the end of the year.

**Note - 20**

(₹ in lakhs)

**Deferred tax liabilities (net)****Deferred tax liabilities arising on account of :**

Property, plant and equipment and other intangible assets  
Investment in fair value instruments measured at FVOCI

**Deferred tax asset arising on account of :**

Minimum alternative tax credit \*  
Employee benefits  
Allowances for doubtful debts  
Unabsorbed business losses and depreciation\*\*

-	593.22
-	6,559.84
-	-
-	978.13
-	10.55
-	80.02
-	5,443.01
<b>-</b>	<b>641.35</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## (i) Movement in deferred tax liabilities (net)

(₹ in lakhs)

Particulars	31 March 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2018
<b>Liabilities</b>				
Property, plant and equipment and other intangible assets	704.55	(111.33)	-	593.22
Financial liabilities measured at amortised cost	1.26	(1.26)	-	-
Investment in fair value instruments measured at FVOCI	6,314.51	-	245.33	6,559.84
	-	-	-	-
<b>Assets</b>				
Minimum alternative tax credit *	978.13	-	-	978.13
Employee benefits	59.97	(25.30)	(24.12)	10.55
Allowances for doubtful debts	128.23	(48.21)	-	80.02
Unabsorbed business losses and depreciation**	4,870.22	572.79	-	5,443.01
<b>Total</b>	<b>983.77</b>	<b>(611.87)</b>	<b>269.45</b>	<b>641.35</b>

## \* Expiry date of minimum alternative tax credit

Expiry year	31 March 2019	31 March 2018
1 April 2024 - 31 March 2025	23.68	23.68
1 April 2025 - 31 March 2026	115.83	115.83
1 April 2026 - 31 March 2027	64.79	64.79
1 April 2029 - 31 March 2030	991.70	773.83
1 April 2032 - 31 March 2033	6.95	-
1 April 2034 - 31 March 2035	440.53	-
<b>Total</b>	<b>1,643.48</b>	<b>978.13</b>

## Note - 21

## A Provisions - non-current

Employees' post retirement/long-term benefits  
Gratuity

35.53	12.99
<b>35.53</b>	<b>12.99</b>

## B Provisions - current

Employees' post retirement/long-term benefits  
Gratuity  
Compensated absences  
Provision for expenses

5.24	19.73
5.37	3.53
1.85	-
<b>12.46</b>	<b>23.26</b>

## Note - 22

## A Other non - current liabilities

Deferred income

364.79	146.65
<b>364.79</b>	<b>146.65</b>

## B Other current liabilities

Statutory taxes payable  
Advance received from customers  
Deferred income  
Others

74.25	398.86
49.05	48.62
82.84	89.13
223.13	-
<b>429.27</b>	<b>536.61</b>



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 23

(₹ in lakhs)

## Trade payables

Due to micro and small enterprises\*  
Due to others

31 March 2019	31 March 2018
15.47	-
237.89	309.11
<b>253.36</b>	<b>309.11</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018

Particulars	31 March 2019	31 March 2018
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	31 March 2019	31 March 2018
<b>Note - 24</b>		
<b>Income from operations</b>		
<b>Sale of services</b>		
Rental income	3,524.68	3,305.25
Real estate & management services	2,380.34	2,271.99
Revenue from sale of Land and constructed Properties	5,765.24	-
	<b>11,670.26</b>	<b>5,577.24</b>

## Note - 25

## Other income

## Interest income

- Income Tax Refunds

- Others

- Bank deposits

- Financial assets carried at amortised cost

## Dividend received

## Liabilities written back

## Gain on investment FVTPL

## Insurance claim received

## Allowances for doubtful debts written back

## Gain on disposal of property, plant and equipment (net)

## Miscellaneous receipts

23.58	13.56
-	11.19
16.13	1.00
1.76	1.37
874.95	782.85
2.57	23.59
15.90	-
3.24	-
2.05	-
3.13	-
79.48	44.11
<b>1,022.79</b>	<b>877.67</b>

## Note - 26

## Employee benefits expense

## Salaries and incentives

## Contributions to provident and other fund

## Staff welfare expenses

394.66	430.35
43.55	16.31
7.13	8.94
<b>445.34</b>	<b>455.60</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

	31 March 2019	31 March 2018
<b>Note - 27</b>		
<b>Finance costs</b>		(₹ in lakhs)
Interest on:		
- Term loan from banks	1,967.18	2,159.91
- Finance lease	47.41	78.16
- Financial instruments carried at amortised cost	82.43	45.72
- Others	63.22	11.43
Bank commission and charges	0.50	1.93
	<b>2,160.74</b>	<b>2,297.15</b>

**Note - 28**
**Depreciation and amortisation expense**

## Depreciation on:

Property, plant and equipment

Investment property

## Amortisation on:

Intangible assets

	92.99	257.69
	533.04	489.48
	72.52	72.18
	<b>698.55</b>	<b>819.35</b>

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>Note - 29</b>		
<b>Other expenses</b>		
Rent	60.57	63.82
House keeping and security	67.65	33.93
Business promotion	54.13	11.97
Repairs and maintenance		
- Buildings	272.48	215.30
- Diesel generator and chiller	12.11	14.42
- Others	6.53	26.00
Legal and professional	94.48	107.33
Printing and stationery	4.27	1.11
Auditor's remuneration		
- Statutory audit fee	4.75	3.70
Insurance	14.99	9.40
Commission and brokerage	58.17	51.68
Annual maintenance charge	35.36	23.92
Festival Expenses	4.58	-
Corporate social responsibility *	10.33	5.50
Travelling and conveyance	49.97	10.03
Water, electricity and fuel	24.31	34.15
Indirect tax interest and penalty	2.63	-
Director's sitting fees	2.30	3.34
Balances written off	34.90	21.54
Rates and taxes	52.82	3.46
Bad Debts	-	1.85
Allowances for doubtful debts	-	0.26
Telephone and communication	9.04	3.97
Miscellaneous expenses	64.06	86.90
	<b>940.43</b>	<b>733.58</b>

**\* Corporate social responsibility expenses**

In accordance with Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The CSR committee has been formed by the company as per Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹ 11.14 lakhs (previous year ₹ 3.99 lakhs).

b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

(₹ in lakhs)

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2019	-	-	-
	31 March 2018	-	-	-
On purpose other than above	31 March 2019	10.33	-	10.33
	31 March 2018	5.50	-	5.50

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>Note - 30</b>		
<b>Income tax</b>		
<b>Tax expense comprises of:</b>		
Current tax	770.91	177.68
Less : MAT Credit	(440.53)	-
Deferred tax charge	(320.46)	(137.18)
Earlier years tax adjustments (net)	(0.17)	8.62
<b>Income tax expense reported in the statement of profit and loss</b>	<b>9.75</b>	<b>49.12</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2018: 30.90%) and the reported tax expense in profit or loss are as follows:

Profit from continuing operations before income tax expense	5,658.97	1,086.49
Profit from discontinued operations before income tax expense	(1,262.55)	(1,761.81)
	<b>4,396.42</b>	<b>-675.32</b>
At India's statutory income tax rate of 27.82% (31 March 2018: 30.90%)*	1,223.08	(208.67)
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of exempted income	(450.43)	(504.69)
Tax impact of expenses which will never be allowed	263.38	279.56
Earlier years tax adjustments (net)	(90.62)	(139.99)
Allowable expenses	(1,315.07)	71.67
Effect of changes in tax rate	565.69	258.62
Tax impact of discontinued operations	(114.06)	459.75
Others	(4.62)	(102.45)
Utilisation of previously unrecognised tax losses	(67.61)	(64.67)
<b>Income tax expense</b>	<b>9.75</b>	<b>49.12</b>

## Note - 31

## Discontinued operations

## (i) Description

Pursuant to official notification issued on Bombay Stock Exchange ("BSE") dated 2 August 2017 and 7 September 2017 for electrical motor business of its "Electricals" division and official notification issued on Bombay Stock Exchange ("BSE") dated 5 October 2017 for fine blanking components business of its "Fine blanking components" division, the Company has discontinued both the divisions due to lack of viable orders, profitability and capital investment requirements for new technology. Consequently, revenue and expenses, gains and losses relating to the discontinuation of these divisions have been eliminated from profit or loss from the Company's continuing operations and are shown as a single line item in the statement of profit or loss.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

(₹ in lakhs)

(ii) Financial performance and cash flow information	31 March 2019	31 March 2018
Total income	240.98	8,516.64
Total expenses	341.20	10,164.73
<b>Loss before tax</b>	<b>(100.22)</b>	<b>(1,648.09)</b>
(Loss)/profit on disposal of non-current assets of discontinued operation	(1,162.33)	(113.73)
<b>Loss before tax from discontinued operations</b>	<b>(1,262.55)</b>	<b>(1,761.82)</b>
Tax expense		
Deferred tax expenses/(credit)	(114.06)	(459.75)
Earlier years tax adjustments (net)	-	-
<b>Loss for the year from discontinued operations</b>	<b>(1,148.49)</b>	<b>(1,302.07)</b>

## Note - 32

	31 March 2019	31 March 2018
<b>Earnings per share</b>		
<b>Net profit attributable to equity shareholders</b>		
<b>Profit from continuing operations (A)</b>	5,649.22	1,037.36
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	54.33	9.98
Diluted EPS (₹) (A/C)	54.33	9.98
<b>Loss from discontinued operations (A)</b>	(1,148.49)	(1,302.06)
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	(11.05)	(12.52)
Diluted EPS (₹) (A/C)	(11.05)	(12.52)
<b>Profit from continuing operations and discontinued operations (A)</b>	4,500.73	(264.70)
Weighted average number of equity shares for basic EPS (B)	1,03,97,478.00	1,03,97,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	1,03,97,478.00	1,03,97,478.00
Basic EPS (₹) (A/B)	43.28	(2.54)
Diluted EPS (₹) (A/C)	43.28	(2.54)

## Note - 31

## Financial instruments by category

## (i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are companyed into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1: Quoted prices (unadjusted) in active markets for financial instruments.**

**Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.**

**Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.**



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## (ii) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2019		31 March 2018	
	FVOCI*	Amortised cost	FVOCI*	Amortised cost
<b>Financial assets</b>				
Investments				
Equity instruments	23,533.85	-	32,629.19	-
Mutual Fund	-	445.90	-	-
Trade receivables	-	347.83	-	979.18
Cash and cash equivalents	-	329.36	-	38.71
Other bank balances	-	57.23	-	54.59
Other financial assets	-	396.93	-	622.28
Security deposits	-	203.19	-	333.00
<b>Total financial assets</b>	<b>23,533.85</b>	<b>1,780.44</b>	<b>32,629.19</b>	<b>2,027.76</b>
<b>Financial liabilities</b>				
Borrowings	-	22,189.64	-	29,235.32
Trade payables	-	253.36	-	309.11
Other financial liabilities	-	1,107.41	-	1,256.73
<b>Total financial liabilities</b>	<b>-</b>	<b>23,550.41</b>	<b>-</b>	<b>30,801.16</b>

\* These financial assets represents investment in equity instruments designated as such upon initial recognition.

## (iii) Financial assets measured at fair value - recurring fair value measurements

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2018, 31 March 2017 and 1 April 2016:

(₹ in lakhs)

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Investments at fair value through other comprehensive income (quoted)</b>					
Equity investments	31 March 2019	23,533.85	-	-	23,533.85
	31 March 2018	32,629.19	-	-	32,629.19
<b>Investments carried at fair value through profit or loss (quoted)</b>					
Mutual Fund	31 March 2019	445.90	-	-	445.90
	31 March 2018	-	-	-	-

## (iv) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in lakhs)

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposits	Level 3	203.19	203.19	333.00	333.00
Other financial assets	Level 3	281.09	281.09	608.87	608.87
<b>Total financial assets</b>		<b>484.28</b>	<b>484.28</b>	<b>941.87</b>	<b>941.87</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	21,668.18	21,668.18	28,732.40	28,732.41
Finance lease obligations	Level 3	521.46	484.64	502.92	467.44
Other financial liabilities	Level 3	943.73	943.73	932.01	932.01
<b>Total financial liabilities</b>		<b>23,133.37</b>	<b>23,096.55</b>	<b>30,167.33</b>	<b>30,131.86</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Group interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2019 was assessed to be insignificant.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 34

## Financial risk management

The Group activities expose it to credit risk, liquidity risk and market risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification.

## (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

## a) Credit risk management

## i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Group provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Medium	Trade receivables	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

		(₹ in lakhs)	
Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	986.71	1,048.58
B: Medium	Trade receivables	403.25	1,255.91

## ii) Concentration of trade receivables

The Group exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Auto components	62.57	786.74
Consumer electronics	64.43	110.87
IT Industry	162.73	271.92
Telecom industry	5.47	6.41
Others	108.05	79.97
<b>Total</b>	<b>403.25</b>	<b>1,255.91</b>

## b) Credit risk exposure

## (i) Provision for expected credit losses

The Group provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets –

## As at 31 March 2019

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	329.36	-	329.36
Trade receivables	403.25	(55.42)	347.83
Other bank balances	57.23	-	57.23
Loans	203.19	-	203.19
Other financial assets	396.93	-	396.93

## As at 31 March 2018

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	38.71	-	38.71
Trade receivables	1,255.91	(276.73)	979.18
Other bank balances	54.59	-	54.59
Loans	333.00	-	333.00
Other financial assets	622.28	-	622.28

## (ii) Expected credit loss for trade receivables under simplified approach

The Group trade receivables pertaining to income from sale of products and services has higher credit risk and accordingly allowance for expected credit loss is created using provision matrix approach.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Gross amount of trade receivables	403.25	1,255.91
Expected loss rate	13.74%	22.03%
Expected credit loss (loss allowance provision)	55.42	276.73

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in lakhs)

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance as on 1 April 2017</b>	<b>401.76</b>
Impairment loss recognised/reversed during the year	(124.92)
Amounts written off	(0.10)
<b>Loss allowance on 31 March 2018</b>	<b>276.74</b>
Impairment loss recognised/reversed during the year	(2.05)
Amounts written off	(219.26)
<b>Loss allowance on 31 March 2019</b>	<b>55.43</b>

## (B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

**Maturities of financial liabilities**

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lakhs)

31 March 2019	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings	3,193.51	3,784.31	8,061.18	13,319.30	28,358.30
Obligations under finance lease	28.86	28.86	86.58	13,956.06	14,100.36
Trade payable	371.17	-	-	-	371.17
Security deposits	372.38	109.21	268.42	670.54	1,420.54
Other financial liabilities	107.22	-	-	-	107.22
<b>Total</b>	<b>4,073.14</b>	<b>3,922.38</b>	<b>8,416.17</b>	<b>27,945.90</b>	<b>44,357.59</b>

(₹ in lakhs)

31 March 2018	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings	4,586.87	5,286.56	9,098.16	17,742.45	36,714.04
Obligations under finance lease	28.86	28.86	86.58	13,984.92	14,129.22
Trade payable	413.28	-	-	-	413.28
Security deposits	1,068.12	641.48	254.13	196.56	2,160.29
Other financial liabilities	261.87	-	-	-	261.87
<b>Total</b>	<b>6,359.00</b>	<b>5,956.90</b>	<b>9,438.88</b>	<b>31,923.94</b>	<b>53,678.71</b>

**The Group had access to following funding facilities :****As at 31 March 2019**

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	5,489.39	2,069.31	3,420.09
1-2 years	2,435.16	2,435.16	-
Above 2 years	16,237.24	16,231.42	5.82
<b>Total</b>	<b>24,161.80</b>	<b>20,735.89</b>	<b>3,425.91</b>

**As at 31 March 2018**

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	7,092.74	4,897.76	2,194.98
1-2 years	4,926.30	4,926.30	-
Above 2 years	18,006.27	18,006.27	-
<b>Total</b>	<b>30,025.32</b>	<b>27,830.33</b>	<b>2,194.98</b>

**(C) Market risk****(i) Interest rate risk****a. Liabilities**

The Group fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	21,668.18	28,726.64
Fixed rate borrowing	521.46	508.69
<b>Total borrowings</b>	<b>22,189.64</b>	<b>29,235.33</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 25 basis points	54.17	71.82
Interest rates – decrease by 25 basis points	(54.17)	(71.82)



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## (iii) Price risk

The Group exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

## Sensitivity

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group profit for the year -

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
<b>Price sensitivity</b>		
Price increase by (5%) - FVOCI	1,176.69	1,631.46
Price decrease by (5%) - FVOCI	(1,176.69)	(1,631.46)
Price increase by (5%) - FVTPL	22.30	-
Price decrease by (5%) - FVTPL	(22.30)	-

## Note - 35

## Capital management

## Risk management

The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	31 March 2019	31 March 2018
Net debts*	21,859.51	29,204.90
Total equity	40,096.85	42,595.28
<b>Net debt to equity ratio</b>	<b>0.55</b>	<b>0.69</b>

\*Net debt = long-term borrowings + short-term borrowings + current maturities of long-term borrowings + book overdraft + interest accrued - cash and cash equivalents

## Note - 36

## Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

## i) Parties where control exists:

## (a) Holding Company:

- M/s Anadi Investments Private Limited

## (b) Key Management Personnel (KMP) and their Relatives:

- Mr. Mahesh Munjal (Managing Director)
- Ms. Aashima Munjal (Joint Managing Director)
- Mr. Aayush Munjal (Whole Time Director)
- Ms. Juhi Garg (Company Secretary) with effect from 3rd October 2017
- Mr. Rahul Tiwari (Company Secretary) till 30th August 2017
- Mr. Rajpal Singh Negi (Chief Financial Officer) with effect from 14th November 2017
- Mr. Prakash Chander Patro (Chief Financial Officer) till 30th August 2017

## (c) Enterprises over which Key Management Personnel is able to exercise significant influence with whom transactions has been undertaken:-

- M/s Munjal Showa Limited
- M/s OK Hosiery Mills Private Limited

**Majestic Auto Limited**
**Notes to the Consolidated financial statements for the year ended 31 March 2019**
**ii) Transactions with related parties carried out in the ordinary course of business:**

S. No	Particulars	Year	Related Parties		(₹ in lakhs)
			Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	Total
1	Sale of goods	31 March 2019	-	-	-
		31 March 2018	-	55.45	55.45
2	Interest paid	31 March 2019	51.11	-	51.11
		31 March 2018	101.25	-	101.25
3	Electricity expenses	31 March 2019	-	10.15	10.15
		31 March 2018	-	6.82	6.82
4	Loan received	31 March 2019	1,746.56	-	1,746.56
		31 March 2018	1,706.43	-	1,706.43
5	Maintenance and management expenses	31 March 2019	-	4.60	4.60
		31 March 2018	-	1.73	1.73
6	Remuneration paid*	31 March 2019	226.48	-	226.48
		31 March 2018	208.64	-	208.64
7	Rent paid	31 March 2019	-	57.41	57.41
		31 March 2018	-	40.19	40.19
8	Sitting Fees	31 March 2019	0.40	-	0.40
		31 March 2018	0.30	-	0.30
9	Security deposit given	31 March 2019	-	10.08	10.08
		31 March 2018	-	-	-

**iii) Closing balance with related parties in the ordinary course of business :**

S.No	Particulars	Year	Related Parties		(₹ in lakhs)
			Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	Total
1	Loan taken	31 March 2019	105.88	-	105.88
		31 March 2018	1,220.75	-	1,220.75
2	Security deposit	31 March 2019	-	29.32	29.32
		31 March 2018	-	19.24	19.24
3	Trade Payable	31 March 2019	-	0.04	0.04
		31 March 2018	-	4.31	4.31
4	Trade Receivable	31 March 2019	-	-	-
		31 March 2018	-	2.85	2.85
5	Remuneration payable	31 March 2019	10.15	-	10.15
		31 March 2018	4.90	-	4.90

\* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

Particulars	(₹ in lakhs)	
	31 March 2019	31 March 2018
Salaries and incentives	223.16	206.51
Leave encashment	1.76	0.08
Gratuity	11.23	2.04
	<b>236.15</b>	<b>208.64</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 37

## Contingent liabilities and commitments (to the extent not provided for)

## Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
<b>(b) Guarantees excluding financial guarantees;</b>		
Bank Guarantees	44.20	44.20
<b>Total</b>	<b>497.94</b>	<b>44.20</b>

Excise duty/sales tax paid under protest amounting to ₹ Nil (previous years 31 March 2018: ₹ 4.02 lakhs) is appearing under the head balance with government authorities.

(a) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursement in respect of the above contingent liabilities.

(c) Future cash outflows in respect of the above are determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

## B Capital commitments:

Capital expenditure contracted for investment property at the end of the reporting period but not recognised as liabilities is ₹ 14,100.36 lakhs (31 March 2018: ₹ 14,129.22 lakhs)

## Note - 38

## Leases disclosure as lessee

## Operating leases

The Group has taken on lease certain assets with lease term of 3 years, which are subject to renewal at mutual consent thereafter. These arrangements can be terminated by either party after giving due notice. The other information pursuant to Ind AS - 17 is given hereunder:

The Company has taken commercial premises on operating lease as per the terms of lease and license agreement. Rentals are expensed with reference to lease terms and other considerations. The future lease payments in respect of these leases are as at under:

The Group has paid ₹ 57.41 lakhs (31 March 2018: ₹ 37.25 lakhs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	31 March 2019	31 March 2018
Within one year	57.41	54.30
Later than one year but not later than five years	90.06	37.38
Later than five years	-	-

## Finance leases

The Group has taken land on finance lease of investment property. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease are, as follows:

Particulars	31 March 2019	31 March 2018
Within one year	28.86	28.86
Later than one year but not later than 5 years	115.44	115.44
Later than 5 years	13,956.06	13,984.92

Present value of the minimum lease payments are, as follows:

Particulars	31 March 2019	31 March 2018
Within one year	21.68	23.85
Later than one year but not later than 5 years	68.73	75.61
Later than 5 years	301.37	316.18
<b>Amounts representing finance charges</b>	<b>13,708.58</b>	<b>13,713.59</b>

## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 39

## Employee benefits

## A Gratuity

## Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

## i) Amounts recognized in the balance sheet

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Present value of the obligation	44.61	36.30
Fair value of plan assets	3.84	3.57
Net obligation recognised in balance sheet as provision	40.76	32.73
Current liability (amount due within one year)	20.11	19.73
Non-current liability (amount due over one year)	20.65	12.99

## ii) Expenses recognized in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Actuarial gain/(loss) on asset	-	(0.37)
Actuarial gain/(loss) on present benefit obligation	(11.32)	94.11
Unrecognised actuarial gain at the end of the year	(11.32)	93.74

## iii) Actuarial (gain)/loss on obligation

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	0.29	(6.71)
- Changes in experience adjustment	11.04	(87.40)

## iv) Expenses recognised in statement of profit and loss

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Current service cost	5.84	5.12
Interest cost	2.52	10.41
Cost recognised during the year	8.37	15.53

## v) Movement in the liability recognised in the balance sheet is as under:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	36.30	146.10
Current service cost	5.84	5.12
Interest cost	2.80	11.02
Actuarial gain on obligation	11.32	(94.11)
Benefits paid	(11.65)	(31.83)
Present value of defined benefit obligation at the end of the year	44.61	36.30

## vi) Change in plan assets is as under:

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the period	3.57	8.02
Actual return on plan assets	0.27	0.23
Employer contribution	-	4.00
Benefits paid	-	(8.68)
Fair value of plan assets at the end of the period	3.84	3.57



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## vii) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2019	31 March 2018
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.71% - 8.00%
Salary escalation rate	5.50% - 9.00%	5.50% - 9.00%
Retirement Age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

## viii) (b) Maturity profile of defined benefit obligation

Particulars	31 March 2019	31 March 2018
0 to 1 year	5.24	4.54
1 to 2 year	0.69	0.53
2 to 3 year	1.04	0.79
3 to 4 year	0.74	0.57
4 to 5 year	0.74	0.58
5 to 6 year	1.05	0.81
6 year onwards	35.10	28.47

## ix) Sensitivity analysis for gratuity liability

Particulars	31 March 2019	31 March 2018
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>44.61</b>	<b>36.30</b>
Impact due to increase of 0.50 %	(2.78)	(1.41)
Impact due to decrease of 0.50 %	3.07	2.76
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>44.61</b>	<b>36.30</b>
Impact due to increase of 0.50 %	3.06	2.76
Impact due to decrease of 0.50 %	(2.80)	(1.43)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change due to these is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

## Note - 40

## Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
<b>Second charge</b>		
Investment in equity instruments valued through OCI	18,439.45	25,565.91
<b>Total non-current assets pledged as security</b>	<b>18,439.45</b>	<b>25,565.91</b>
<b>Current</b>		
<b>First charge</b>		
Margin money	57.23	54.59
<b>Total current assets pledged as security</b>	<b>57.23</b>	<b>54.59</b>
<b>Total assets pledged as security</b>	<b>18,496.68</b>	<b>25,620.49</b>

Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

### Note - 41

Disclosures as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"

#### a) Operating segments

Management currently identifies the Group's three service lines as its operating segments as follows:

- Fine blanking components
- Electricals
- Real estate & management services
- Rental

During the year ended 31 March 2018, Group has discontinued the 'Fine Blanking Components' and 'Electrical' operations and have included in Discontinued Operations.

#### b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

#### c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2019 and 31 March 2018.

(₹ in lakhs)

Particulars	Real estate & management services		Rental		Discontinued operations		Unallocated		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Revenue</b>										
Sales to external customers	8,665.58	2,841.95	3,524.68	3,305.29	240.98	8,384.18	-	-	12,431.24	14,531.42
Inter-segment sale	(520.00)	(570.00)	-	-	-	-	-	-	(520.00)	(570.00)
<b>Segment revenue</b>	<b>8,145.58</b>	<b>2,271.95</b>	<b>3,524.68</b>	<b>3,305.29</b>	<b>240.98</b>	<b>8,384.18</b>	-	-	<b>11,911.24</b>	<b>13,961.42</b>
Interest revenue	22.20	14.40	17.51	12.71	-	-	-	-	39.71	27.11
Interest expense	442.56	658.62	1,718.18	1,638.51	-	618.40	-	-	2,160.74	2,915.53
Depreciation and amortisation	157.76	326.58	540.79	492.76	-	518.98	-	-	698.55	1,338.32
Write-down of inventories	-	-	-	-	-	35.94	-	-	-	35.94
Reversal of provisions	2.05	-	-	-	-	130.06	-	-	2.05	130.06
Dividend revenue	874.95	782.85	-	-	-	-	-	-	874.95	782.85
Disposals of property, plant and equipment	-	-	-	-	(1,162.33)	(113.73)	-	-	(1,162.33)	(113.73)
<b>Segment result (profit/(loss) before tax)</b>	<b>4,722.75</b>	<b>280.85</b>	<b>936.22</b>	<b>805.63</b>	<b>(1,262.55)</b>	<b>(1,761.82)</b>	-	-	<b>4,396.42</b>	<b>(675.33)</b>
Income tax expense	(224.16)	(152.07)	233.91	201.20	(114.06)	(459.75)	-	-	(104.31)	(410.62)
Material non-cash items other than depreciation and amortisation.	-	-	-	-	-	-	-	-	-	-
<b>Segment assets</b>	<b>34,911.69</b>	<b>39,403.82</b>	<b>25,294.91</b>	<b>25,400.61</b>	<b>195.34</b>	<b>6,764.13</b>	<b>4,087.37</b>	<b>4,087.37</b>	<b>64,489.31</b>	<b>75,655.93</b>
<b>Segment liabilities</b>	<b>7,222.96</b>	<b>12,150.41</b>	<b>17,048.27</b>	<b>19,250.39</b>	<b>121.20</b>	<b>1,659.84</b>	-	-	<b>24,392.43</b>	<b>33,060.64</b>
Additions to non-current Assets other than financial instruments, deferred tax assets, net defined benefit assets	61.95	67.64	328.46	231.26	-	27.43	-	-	390.41	326.33

## (ii) Geographical segment analysis

Particulars	Revenue (₹ in lakhs)	
	31 March 2019	31 March 2018
India	11,911.24	13,961.42
<b>Total</b>	<b>11,911.24</b>	<b>13,961.42</b>

## (ii) Information about major customer

During the year ended 31 March 2019 revenue of approximately 61.72% (previous year 31 March 2018: 38.12% under 'Electrical Segment', 'Rental' & 'Real Estate & Management Service Segment') are derived from two external customer under 'Rental' & 'Real Estate & Management Service Segment'.

**Majestic Auto Limited**
**Notes to the Consolidated financial statements for the year ended 31 March 2019**
**Note - 42**
**Interest in other entities**
**Subsidiaries**

The Group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group.

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			31 March 2019	31 March 2018	
Majestic IT Services Limited	India	INR	100%	100%	Facility management services
Emirates Technologies Private Limited	India	INR	80%	80%	Rental services

**Subsidiary with material non-controlling interests (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Proportion of ownership interests and voting rights held by NCI		Total comprehensive income allocated to NCI	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Emirates Technologies Private Limited	20%	20%	140.46	95.03

Summarised financial information for Emirates Technologies Private Limited is set out below:

Particulars	(₹ in lakhs)	
	31 March 2019	31 March 2018
Non-current assets	24,794.38	25,116.98
Current assets	500.53	283.63
<b>Total assets</b>	<b>25,294.91</b>	<b>25,400.61</b>
Non-current liabilities	18,193.83	17,705.42
Current liabilities	1,224.85	2,521.31
<b>Total liabilities</b>	<b>19,418.68</b>	<b>20,226.73</b>
Equity attributable to the owners of the parent Company	5,876.23	5,173.89
Non-controlling interests	1,175.24	1,034.78

Particulars	(₹ in lakhs)	
	31 March 2019	31 March 2018
<b>Revenue</b>	<b>3,524.68</b>	<b>3,305.26</b>
Profit for the year attributable to the owners of the Parent	561.85	380.13
Profit for the year attributable to non-controlling interest	140.46	95.03
<b>Profit for the year</b>	<b>702.31</b>	<b>475.16</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
Total comprehensive income attributable to the owners of the Parent	561.85	380.13
Total comprehensive income attributable to non-controlling interest	140.46	95.03
<b>Total comprehensive income</b>	<b>702.31</b>	<b>475.16</b>



## Majestic Auto Limited

## Notes to the Consolidated financial statements for the year ended 31 March 2019

## Note - 43

Additional information in pursuant to Schedule III of the Companies Act, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in lakhs	As % of consolidated profit or loss	Amount in lakhs	As % of consolidated other comprehensive income	Amount in lakhs	As % of consolidated total comprehensive income	Amount in lakhs
<b>Parent</b>								
Majestic Auto Limited	77.52%	31,082.54	88.63%	3,988.85	99.97%	(6,992.76)	120.23%	(3,003.91)
<b>Indian subsidiaries</b>								
Majestic IT Services Limited	1.91%	767.67	-8.07%	(363.38)	0.03%	(6.35)	14.80%	(369.73)
Emirates Technologies Private Limited	17.64%	7,071.40	16.33%	734.80	0.00%	-	-29.41%	734.80
<b>Non-controlling interest in subsidiary</b>								
	2.93%	1,175.24	3.12%	140.46	0.00%	-	-5.62%	140.46
<b>Total</b>	<b>100.00%</b>	<b>40,096.85</b>	<b>100.00%</b>	<b>4,500.73</b>	<b>100.00%</b>	<b>(6,999.11)</b>	<b>100.00%</b>	<b>(2,498.38)</b>

For **SAR & Associates**  
Chartered Accountants  
Firm Registration No. 122400W

Sd/-  
**CA Anubhav Goyal**  
Partner  
Membership No. 123328

Place : Noida  
Date : 18 April 2019

For and on behalf of **Majestic Auto Limited**

Sd/-  
**(Rajpal Singh Negi)**  
Chief Financial Officer

Sd/-  
**(Juhi Garg)**  
Company Secretary  
M.No. 35389

Sd/-  
**(Mahesh Munjal)**  
Managing Director  
DIN 00002990

Sd/-  
**(Vikas Nanda)**  
Director  
DIN 00106264

MAJESTIC AUTO LIMITED

Registered Office: 10 Southern Avenue, First Floor, Maharani Bagh, New Delhi-110065

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at entrance of the Meeting Hall)

I/We hereby record my/our presence at the Annual General Meeting being held on **Saturday** the **28th day of September, 2019 at 11.00 A.M.** at Lakshmi Pat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016.

Name of the Shareholder/Proxy

Folio No.

Address

No. of Shares Held

Signature of Shareholder/Proxy\*

\*Strike out whichever is not applicable

**MAJESTIC AUTO LIMITED**

Registered Office: 10 Southern Avenue, First Floor, Maharani Bagh, New Delhi-110065

**Form No. MGT-11  
PROXY FORM**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s) : .....

Registered Address : .....

Email Id : .....

Folio No/ Client Id: DP ID : .....

I/We, being the member(s) of .....

Shares of Majestic Auto Limited, hereby appoint:

1. Name : .....

2. Address : .....

3. E-mail Id : .....

4. Signature : ..... or failing him .....

1. Name : .....

2. Address : .....

3. E-mail Id : .....

4. Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46<sup>th</sup> Annual general meeting of the company, to be held on the **28<sup>th</sup> day of September, 2019 at 11.00 a.m.** at Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

1 ..... 3 .....

2 ..... 4 .....

5 .....

Affix  
Revenue  
Stamp here

Signed this ..... day of ..... 2019

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





## **MAJESTIC AUTO LIMITED**

### **CORPORATE OFFICE:**

A-110, Sector-4, Noida-201301

Phone No.: 0120-4348907

Email Id: [grievance@majesticauto.in](mailto:grievance@majesticauto.in)