



September 02, 2021

BSE Limited  
Dalal Street,  
Phiroze Jeejeebhoy Towers,  
Mumbai 400 001  
Scrip Code: 500300

Dear Sir/Madam,

**Sub: Intimation under Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Resignation of Independent Directors**

Pursuant to the provisions of Regulation 30 (6) read with Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we wish to inform you that Mr. Sham Lal Mohan (DIN: [00028126](#)), Mr. Naveen Jain (DIN: [00051183](#)) and Mr. Vikas Nanda (DIN: [00106264](#)) have tendered their resignation as Independent Directors of the Company with effect from September 02, 2021, due to reasons as disclosed in the letter enclosed. The CMD of the Company has given his reply to the letter which is enclosed. (Resignation Letter enclosed as **Annexure A** and reply thereto is enclosed **at Annexure B**)

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given in **Annexure C**.

Consequently, Mr. Sham Lal Mohan (DIN: [00028126](#)), Mr. Naveen Jain (DIN: [00051183](#)) and Mr. Vikas Nanda (DIN: [00106264](#)) shall also cease to be the Members of all the Board Committees of the Company with effect from September 02, 2021.

The Company will be seeking a confirmation from the Directors as to any other material reasons for their resignation than as disclosed in the resignation letter.

We request you to kindly take the same on record.

Thanking you,

Yours Faithfully,  
For Majestic Auto Limited

A handwritten signature in blue ink, appearing to read 'Aayush Munjal'.

**Aayush Munjal**  
Director

Encl. as above

**MAJESTIC AUTO LIMITED**

CIN L35911DL1973PLC353132

Corporate Office: A-110, Ground Floor, Sector 4, Noida 201301 (U.P.)  
Registered Office-10, Southern Avenue, First Floor, Maharani Bagh, New Delhi-110065  
Tel.: 0120-4348907, Email: info@majesticauto.in, www.majesticauto.in

The Board of Directors  
**Majestic Auto Limited**  
 10, Southern Avenue,  
 First Floor, Maharani Bagh  
 Delhi-110065

September 2, 2021

Dear Sirs,

**Resignation from the Position of Independent Director**

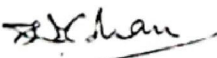
We, the undersigned three independent directors SL Mohan, Vikas Nanda and Naveen Jain, hereby resign from the positions of independent directors of the Board of directors of Majestic Auto Limited, including from the Committees of the Board wherever applicable, with effect from the 2nd day of September 2021.

We would like to put on record the reason(s) for our resignations, as below:

1. In our considered view the CMD Mr. Mahesh Munjal's recent conduct is not conducive to upholding acceptable standards of Corporate Governance. Ever since 09.11.2020 when we three independent directors did not approve CMD Mahesh Munjal and Executive Director Aayush Munjal's proposal to commence new business of trading in stocks and shares without any of the usual and necessary checks and balances, these 2 EDs have embarked on a path of confrontation in the Board. The CMD thereafter sought to change Board constitution by using his shareholding, but could not do so due to intervention by SEBI. The CMD also filed a police complaint against the Company Secretary, and there is reportedly an environment of fear amongst the employees that has resulted in KMPs resigning. The CMD has been making baseless, unsubstantiated and frivolous allegations against the independent directors in his communications. The Board and Company dynamics have therefore been vitiated and the Board's effectiveness weakened.
2. We are no longer convinced that we are getting timely, accurate and complete information from the Executive management to properly carry out our duties and function. Moreover, recent queries made by us into Related Party Transactions have revealed a few gaps including incomplete and Inaccurate reporting in the internal audit reports, with the implication that we cannot fully rely on the current internal audit process and on its independence.
3. There is clearly a discord amongst the 3 promoter/ executive directors, who are in our view engaged in vying for personal gain and comparative advantage instead of keeping foremost the interests of the Company and the other stakeholders.

Please make arrangements to file necessary forms with the concerned Registrar of Companies and intimations to the Stock Exchanges and complete all other processes that may be required. Please also forward copies of said forms and intimations upon their submission to us.

Yours sincerely,

  
 S. L. Mohan

DIN 00028126

IDDB-DI-202002-009536

  
 Naveen Jain

DIN 00051183

IDDB-DI-202002-004370

  
 Vikas Nanda

DIN 00106264

IDDB-PA-202002-009286



2 September 2021

Mr. Vikas Nanda,  
[vn.bfsi@gmail.com](mailto:vn.bfsi@gmail.com)

Mr. Naveen Jain  
[nj@nksllp.com](mailto:nj@nksllp.com)

Mr. SL Mohan  
[slmohan1945@gmail.com](mailto:slmohan1945@gmail.com)

Re: Reply to Resignation Letter dated 2 September 2021 from Board of Majestic Auto Limited  
**(Company)**

Dear Sirs,

Majestic Auto Limited is in receipt of your resignation letter and the allegations made against the Chairman and Managing Director are denied.

The three independent directors had formed an illegal majority grouping on the Board of Directors with Ms. Ashima Munjal, Joint Managing Director and had failed to discharge their duty in accordance with the Code of Conduct of Independent Directors and had openly taken sides in disputes amongst promoter directors.

The following may be noted:

- (i) The three Independent Directors acting against the interest of the company and its shareholders and in coordination with Ms. Ashima Munjal refused a proposal placed before the Board on 9 November 2020 for treasury operations that would have added value to the Company. Instead, the Independent Directors formed a committee and failed to give any recommendation to the Board and unilaterally passed a resolution barring any treasury activities which has caused significant loss to the company. Despite advice from reputed Big 4 accounting firm the proposal was not permitted to proceed. On the other hand, 2 of the same directors Mr. Naveen Jain and Mr. Vikas Nanda provided a similar authorization (without any scrutiny) to Ms. Ashima Munjal in a subsidiary company, Majestic IT Services Private Limited on 8 November 2019.
- (ii) The Independent Directors tried to protect the Company Secretary who is under enquiry by the jurisdictional police authorities for allegations of manipulation of certain documents.
- (iii) The Independent Directors have approved the accounts for FY 2020-21 and approved all related party transactions in previous years accounts. Even though there is no significant change in the related party transactions the same directors have raised

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unsubstantiated issues concerning related party transaction. The Company has already submitted its response to SEBI on issues concerning related party transactions.

- (iv) The Chairman and Managing Directors is committed to protect the interest of shareholders.

The underlying reason for resignation of the 3 Independent Directors is that the 3 Independent Directors in collusion with Ms. Ashima Munjal attempted to prevent the promoter shareholder and CMD from exercising rights of inspection under Companies Act, 2013 and a legal notice dated 28 August 2021 was issued to them for their breach of statutory provisions and obstructing transparency by preventing promoter shareholder and CMD from conducting inspection in the company.

While it is correct that there are disputes between Mr. Mahesh Munjal and Ms. Ashima Munjal, the 3 Independent Directors have consistently supported and voted with Ms. Ashima Munjal in breach of their duties towards the company. Mr. Mahesh Munjal has filed legal proceedings against unlawful claims made by Ms. Ashima Munjal against his interest in the promoter group entities and the Hon'ble High Court of Delhi has in CS OS 405 of 2021 passed an interim order protecting the right of Mr. Mahesh Munjal to exercise the rights in the promoter holding company, Anadi Investments Private Limited. The order of the Hon'ble High Court was passed on 31 August 2021 and released on 2 September 2021, the date of resignation of the Directors.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Mahesh Munjal', with a horizontal line underneath.

**Mahesh Munjal**

**Chairman and Managing Director  
Majestic Auto Limited**

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Particulars	Name of Independent Director		
	<b>Naveen Jain (DIN: <a href="#">00051183</a>)</b>	<b>Vikas Nanda (DIN: <a href="#">00106264</a>)</b>	<b>Sham Lal Mohan (DIN: <a href="#">00028126</a>)</b>
Reasons for change viz. Resignation, Appointment, Removal, Death or Otherwise	Disputes amongst promoters and allegations against Executive Management made in letter at Annexure A and response given at Annexure B.	Disputes amongst promoters and allegations against Executive Management made in letter at Annexure A and response given at Annexure B.	Disputes amongst promoters and allegations against Executive Management made in letter at Annexure A and response given at Annexure B.
Date of Appointment/Cessation	September 02, 2021	September 02, 2021	September 02, 2021
Brief Profile (in case of Appointment)	Not Applicable	Not Applicable	Not Applicable
Disclosure of relationships between directors (in case of Appointment)	Not Applicable	Not Applicable	Not Applicable

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