



August 27, 2022

To

The Manager
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

Subject: Annual Report for Financial Year 2021-22 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

Security Code: 500267

Dear Sir/Ma'am,

Pursuant to Regulation 34(1) of the SEBI LODR Regulations, please find enclosed the Annual Report of the Company along with the Notice of the 49th Annual General Meeting (AGM) for the Financial Year 2021-22.

The 49th AGM of the Company will be held through Video Conferencing / Other Audio-Visual Means ("VC/OAVM") on Friday, September 23, 2022.

We wish to intimate you that in compliance with the provisions of the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 issued by the Securities and Exchange Board of India, the Notice of the AGM and Annual Report for the Financial Year 2021-22 is being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The Notice of the AGM and the Annual Report for the Financial Year 2021-22 are also uploaded on the website of the Company at www.majesticauto.in.

Kindly take the above information on your records.

Thanking You.

Yours Faithfully,
For Majestic Auto Limited


Authorised Signatory

Parul Chadha
Compliance Officer

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 E-mail : info@majesticauto.in, www.majesticauto.in



MAJESTIC

MAJESTIC AUTO LIMITED



49th

ANNUAL
REPORT 2021-22

MAJESTIC AUTO LIMITED

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INVESTOR INFORMATION

Market Capitalisation

INR 134.49 CR. (As on March 31, 2022)

BSE Code

500267

BSE Symbol

MAJESAUT

AGM DATE: SEPTEMBER 23, 2022
(AGM TO BE HELD VIA VIDEO CONFERENCING)



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Your company continues its focus on Commercial real estate leasing and facility management catering to IT companies. This sector has gone through tremendous change in the last few years due to COVID-19, and we're servicing the change on the ground level.

IT workers are increasingly working from home, so the office structures have evolved from workstations to collaborative spaces. We remain bullish on the IT sector in the long run, while the immediate future requires a relentless focus on customer service, costs, and cash flows.

Over the last few years since we discontinued the manufacturing business we have been able to drastically reduce our debt by monetizing our manufacturing land assets. These are non-core assets that don't relate to the commercial leasing business. This has transformed our P&L, and allowed us to generate profits and cash to pay dividends to our shareholders. We endeavour to continue this path and monetize more such assets in manufacturing locations in both Ludhiana and Greater Noida, retire the legacy debt in the company. Our goal is to utilize borrowed funds only to enhance our return on equity in our rental yielding commercial real estate assets.

Looking toward growth and future investments we continue to track the legal progress of the resolution plan approved for the acquisition of Sharan Hospitality Pvt Ltd. (SHPL). This is taking sometime in the legal system and we'll keep the stakeholders posted on any change in status.

With your support we now have a stable board with Independent Directors of integrity and diverse expertise that is relevant and helpful to our business. We are grateful to our bankers for their ever so stable support and partnership.

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 sincerely appreciate the faith and trust that you have bestowed on us during the last year.

Stay safe & healthy
Best wishes,

Mahesh Munjal
Chairman & Managing Director

BOARD OF DIRECTORS



Mr. Mahesh Munjal,
Chairman & Managing Director



AASHIMA MUNJAL
(Director)



AAYUSH MUNJAL
(Joint Managing Director)



ANIL KUMAR SHARMA
(Independent Director)



PRADIP KUMAR MITTAL
(Independent Director)



RAJESH KUMAR YADUVANSHI
(Independent Director)

EXECUTIVE DIRECTORS

MAHESH MUNJAL (CMD)

Sh. Mahesh Munjal was appointed as a Director of the Company w.e.f. 29.06.1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and re-designated as the Managing Director of the Company w.e.f. 29.7.1999. He carries with him enriched experience of 42+ years of running Industries. Before joining as a Director of the Company, Sh. Mahesh Munjal was Executive Director of Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited. He is a Graduate Engineer and an MBA. He is a member of various trade and management bodies. He is working as Executive Director / Managing Director of the Company since 1993.

AASHIMA MUNJAL (Director)

Ms. Aashima Munjal joined the Company on August 14, 2010 as Director of the Company. She is also Managing Director of Majestic IT Services Limited, a wholly owned subsidiary of the Company. Ms. Aashima Munjal has a Master of Science in Engineering Degree and Bachelors in Computer Science from John Hopkins University, USA. 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 is also on the board of John Hopkins India Foundation since 2019.

AAYUSH MUNJAL (Whole Time Director and Joint Managing Director)

Mr. Aayush Munjal joined the Company in 2011 and was appointed as Executive Director in 2015. He is also Joint Managing Director of Emirates Technologies Private Limited, a subsidiary of the Company. He has a Bachelor's of Science in Computer Science from Washington University in St. Louis, USA. He started his career working at Microsoft Corporation in Redmond, Washington, USA. He is deeply involved with the Real Estate, Office Space Leasing and Facility business.

NON EXECUTIVE DIRECTORS

ANIL KUMAR SHARMA (Independent)

Mr. Anil Kumar Sharma is a B. Tech & Masters in Business administration from Punjab Agriculture University, Ludhiana in 1976 & 1979 respectively. Thereafter, he served Vardhman group for 6 years in various positions, he joined Winsome Textile Industries in 1985 and since then he is working with the same group and currently working as Executive Director and CEO of the company. He is also the Director of Kailashpati Vinimay (P) Ltd, Trustee of Winsome Foundation, Trustee of Winsome textile Social Trust and Trustee of Winsome Textile Gratuity Trust.

PRADIP KUMAR MITTAL (Independent)

Mr. Pradip Kumar Mittal is an FCA & has done Diploma in Information Systems from ICAI. He carries with him enriched experience of 40+ years. He is having 13 years' experience as VICE PRESIDENT (FINANCE) of Godfrey Phillips India Ltd. having working experience of Accounts, Taxation, FEMA, Business Plan and Budgeting and Company law compliance. He is having 20 years' experience with MHCP LTD. Further, 3 years of experience in an advertising and marketing company named HMA COMPANY P LTD. responsible for Accounts, taxation, legal, secretarial work and 2 years' experience with DD GEARS P LTD., an Automobile spares manufacturing company.

RAJESH KUMAR YADUVANSHI (Independent)

Dr. Rajesh Kumar Yaduvanshi has done Masters of Science from Hansraj College of Delhi University followed by Doctorate of Philosophy from IARI, New Delhi, He is also Certified Associate of Indian Institute of Bankers, Mumbai. He is a Career banker with over 35 years of experience in branches/administrative offices besides heading Jalandhar Circle & Delhi Zone of PNB and going on to serve as the Executive Director of Dena Bank & Punjab National Bank while handling important portfolios such as Credit, HR, Finance, Marketing, NPAs, etc.

CORPORATE INFORMATION

Board of Directors

Mr. Mahesh Munjal	– Chairman and Managing Director
Ms. Aashima Munjal	– Director
Mr. Aayush Munjal	– Joint Managing Director
Mr. Anil Kumar Sharma	– Independent Director
Dr. Rajesh Kumar Yaduvanshi	– Independent Director
Mr. Pradip Kumar Mittal	– Independent Director

Chief Financial Officer

Mr. Rajpal Singh Negi

Statutory Auditors

M/s SAR & Associates
Chartered Accountants

Internal Auditors

M/s S.Tandon & Associates
Chartered Accountants

Secretarial Auditors

M/s VLA & Associates
Company Secretaries

Registered Office

10, Southern Avenue,
First Floor, Maharani Bagh,
New Delhi - 110 065

Audit Committee

Mr. Pradip Kumar Mittal	– Chairman
Dr. Rajesh Kumar Yaduvanshi	– Member
Mr. Anil Kumar Sharma	– Member
Mr. Mahesh Munjal	– Member

Nomination & Remuneration Committee

Mr. Anil Kumar Sharma	– Chairman
Dr. Rajesh Kumar Yaduvanshi	– Member
Mr. Pradip Kumar Mittal	– Member
Mr. Mahesh Munjal	– Member

Stakeholders Relationship Committee

Mr. Anil Kumar Sharma	– Chairman
Mr. Mahesh Munjal	– Member
Mr. Aayush Munjal	– Member

Corporate Social Responsibility Committee

Mr. Mahesh Munjal	– Chairman
Mr. Aayush Munjal	– Member
Mr. Anil Kumar Sharma	– Member

Vigil Mechanism Committee

Mr. Anil Kumar Sharma	– Chairman
Mr. Pradip Kumar Mittal	– Member
Mr. Mahesh Munjal	– Member

Registrar & Transfer Agent

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

NOTICE OF 49th ANNUAL GENERAL MEETING

Notice is hereby given that the **49th Annual General Meeting (AGM)** of the members of **MAJESTIC AUTO LIMITED** will be held on **Friday, the 23rd day of September, 2022 at 11:00 A.M. (IST)**, through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of Board of Directors and the Auditors thereon.
2. To re-appoint Ms. Aashima Munjal (DIN- 00050716), who retires by rotation as a Director in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

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

Mahesh Munjal

Date: August 12, 2022

Chairman & Managing Director

Place: Noida

DIN: 00002990

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 5, 2022 all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM) for the financial year ended 2021-22 upto December 31, 2022. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.majesticauto.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, General Circular 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 5, 2022 and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 (collectively "SEBI Circulars").
7. As the AGM will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed to this Notice.
8. Notice is being sent through e-mail to all the shareholders as on August 19, 2022 who have registered their e-mail addresses with the Company/ RTA.
9. Shareholders who have not received the notice due to change/non-registration of their e-mail address with the Company/ RTA/ Depository Participants, they may request for the notice by sending an email at rta@alankit.com along with a scanned copy of Share Certificate/ Client Master. Post receipt of such request, the shareholder would be provided soft copy of the notice and the procedure for e-voting along with the User ID and the Password.
10. Ms. Neeta Aggarwal, Practicing Company Secretary (COP: 13218) has been appointed as the scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.
11. Corporate Members intending to send their authorized representative to attend Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
12. Members are requested to register their e-mail id with the company or its RTA or their depository participant to enable the company to send the notices and other reports through email.
13. In terms of MCA Circulars and SEBI Circulars, since the AGM will be held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be

- available for the AGM. However, Institutional shareholders (i.e. other than individuals, Hindu Undivided Family, Non-resident Indians etc.) are required to send a scanned copy (PDF/ JPG Format) of their board resolution/ authority letter/ power of attorney etc., authorizing their representatives to attend/ participate in the AGM through VC/ OAVM on their behalf and to vote through remote e-voting. The said resolution/ authority letter/ power of attorney, etc. shall be sent to the Scrutinizer by e-mail through their registered e-mail address to csneeta.1989@gmail.com with a copy to rta@alankit.com.
14. Members are requested to note that, dividends if not en-cashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
 15. Pursuant to Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 17, 2022 to Friday, September 23, 2022 (both days inclusive) for the purpose of AGM.
 16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission and transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical forms are requested to consider converting their holdings to dematerialized form. Members can contact the company or RTA, Alankit Assignments Limited, in this regard.
 17. To support the 'Green Initiative' members who have not yet registered email addresses are requested to register the same with their DP's in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
 18. SEBI has recently mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, telephone/mobile numbers, bank account details) and nomination details by holders of securities. Effective from 1st January, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April, 2023, in case any of the above cited documents/details are not available in the Folio(s). RTA shall be constrained to freeze such folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the company.
 19. Members are requested to notify immediately any change pertaining to postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nomination, Power of Attorney, bank details such as name of the Bank and branch details, bank account number, MICR code, IFSC code to their Depositories Participants (DPs) in respect of their electronic share accounts and to RTA of the Company in respect of their physical share folios, if any.
 20. As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Company's RTA.
 21. 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.
 22. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
 23. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote at the AGM.
 24. 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.
 25. The Company has designated an exclusive e-mail ID namely: grievance@majesticauto.in for receiving and addressing investors' grievances. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the company on or before September 16, 2022 through email on grievance@majesticauto.in. The same will be replied by the company suitably.
 26. 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 RTA.
 27. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, change of address, change of name, e-mail address, contact numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the RTA, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
 28. 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.
 29. The remote e-voting period commences Tuesday, September 20, 2022 at 09:00 A.M. (IST) and ends on Thursday, September 22, 2022 at 05:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 16, 2022, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting

and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

30. 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 on the cut-off date i.e. September 16, 2022, may obtain the login ID and password by sending a request at rta@alankit.com.
31. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make not later than 48 hours 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.
32. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.majesticauto.in and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.
33. Additional information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) & of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – II issued by the Institute of Company Secretaries of India.

Name of the Director	Ms. Aashima Munjal
DIN	00050716
Nationality	Indian
Date of Birth	June 2, 1981
Date of Appointment on the Board	August 14, 2010
Qualification	Master of Science in Engineering Degree and Bachelors in Computer Science from John Hopkins University, USA
Expertise in specific functional Area	Managing Director of Majestic IT Services Limited, which she pivoted into a facility management company from IT. She had also spear headed the diversification of Majestic Auto into the rentals and facility management business in 2015, and was appointed JMD of MAL 2016-2021. Previously she worked with Unisys Corporation and at the Centre of Networking and Distributed Systems at the Johns Hopkins University. She is also on the board of John Hopkins India Foundation since 2019.
No. of Equity shares held in the Company	-
List of directorships held in other Companies	Details given in Corporate Governance Report
Experience (Yrs)	12+ Years
No. of Board Meetings attended during the financial year 2021-22	9
Remuneration details (Including Sitting Fees & Commission) for FY 21-22	INR 20,000
Chairman/ Member in the Committees of the Boards of companies in which he/she is a Director	Details given in Corporate Governance Report
Disclosure of relationships between directors inter-se	She is Daughter of Mr. Mahesh Munjal, Chairman & Managing Director of the Company and Sister of Mr. Aayush Munjal, Whole Time Director of the Company
Terms & Conditions of appointment/ re-appointment and remuneration	As per the Nomination and Remuneration Policy
Listed Companies from which the person has resigned from the directorship in the past three year	Nil
Directorships held in other companies in India	<ol style="list-style-type: none"> 1. Emirates Technologies Pvt. Ltd 2. Majestic IT Services Ltd. 3. Glow Softech Private Limited 4. Kojagari Space Management Services Private Limited 5. Amtier Infotech Limited 6. Johns Hopkins India Foundation 7. GIC Corporate Leaders' Foundation

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, September 20, 2022 at 09:00 A.M. (IST) and ends on Thursday, September 22, 2022 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by

NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 16, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 16, 2022.

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website](#).

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
- If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.
- After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csneeta.1989@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. PallaviMhatre, Manager at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to grievance@majesticauto.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to grievance@majesticauto.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained

at **step (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may

experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at grievance@majesticauto.in latest by 05:00 P.M. (IST) on September 16, 2022. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected

to a device with a video/ camera along with good internet speed.

8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
9. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in, or call 1800 1020 990 / 1800 22 44 30 or Alankit Assignments Limited, Registrar & Share Transfer Agent of the Company at rta@alankit.com.

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

Mahesh Munjal
Chairman & Managing Director
DIN: 00002990

Date: August 12, 2022
Place: Noida

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 49th Annual Report of the Company along with the Company's Audited Financial Statements for the Financial Year ended March 31, 2022.

1. FINANCIAL RESULTS

A brief summary of the audited financials of the Company for the Financial Year ended March 31, 2022 is given below:

(Rs. in Lakhs)

Particulars	Standalone Performance		Consolidated Performance	
	Year ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from operations	1,768.47	2,025.35	4893.16	5,683.63
Profit before Finance Cost and Depreciation Expenses	1263.59	1,486.47	4287.58	5,312.15
Finance Costs	284.86	320.02	1437.23	1,692.00
Depreciation and Amortization Expenses	220.39	207.69	860.06	895.35
Profit from ordinary activities before share of Profit/(Loss) of Associates	758.34	958.76	1990.29	2,724.80
Profit before tax	758.34	958.76	1990.29	2,724.80
Tax Expense	605.97	102.19	934.52	543.94
Profit for the year from continuing operations after tax	152.37	856.57	1055.77	2,180.86
Profit/(Loss) from discontinuing operations after tax	-	-	-	-
Profit for the year	152.37	856.57	1055.77	2,180.86
Attributable to:				
-Equity Shareholders of the Company	152.37	856.57	905.18	1,992.72
-Non-controlling interests	N.A	N.A	150.59	188.14
Other Comprehensive Income	(669.82)	10,127.56	(669.47)	10,135.66
Total Comprehensive Income	(517.45)	10,984.13	386.30	12,316.52
Balance in Retained Earnings at the beginning of the year	20,089.95	19,223.77	20,467.39	18,456.96
Profit for the year (attributable to equity shareholders of the company)	152.37	856.57	905.18	1,992.72
Re-measurement of defined Employee benefit plans	(2.57)	9.61	(2.22)	17.71
Dividends including tax on dividend	(779.81)	Nil	(779.81)	Nil
Acquisition of non-controlling interests	N.A	N.A	N.A	Nil
Transferred to General Reserve	-	-	-	-
Balance in Retained Earnings at the end of the year	19,920.29	20,089.95	21050.89	20,467.39

During the Financial Year 2021-22, the revenue from operations was Rs. 1,768.47 Lakhs as compared to Rs. 2,025.35 Lakhs in the previous Financial Year 2020-21.

Profit before tax (PBT) during the Financial Year 2021-22 was Rs. 758.34 Lakhs as compared to Rs. 958.76 Lakhs in the previous Financial Year 2020-21.

The total comprehensive loss of the Company for the Financial Year 2021-22 stood at Rs. 517.45 Lakhs as compared to income of Rs. 10,984.13 Lakhs in the previous Financial Year 2020-21.

2. DIVIDEND

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

3. TRANSFER TO GENERAL RESERVE

During the Financial Year 2021-22, all the profits made by the Company are transferred to retained earnings from statement of profit and loss.

4. CAPACITY UTILISATION & PLANT OPERATIONS

The Company has discontinued operations of manufacturing in the second half of the financial year 2017-18, and till date, there are no further operations in the said manufacturing segment. The company has diversified into facility management services, leasing of owned property, purchase, acquire, build & construct any property etc.

The Management looks at the future with optimism and hopes to do better in year to come.

5. CHANGES IN SHARE CAPITAL

The Company has neither come up with any Right Issue/ Preferential Issue, nor issued any Sweat Equity Shares and nor provided any Stock Option Scheme to the employees during the Financial Year 2021-22.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES HOLDING COMPANY

The Holding Company, Anadi Investments Private Limited is holding 77,57,687 equity shares in the company of Rs. 10/- each equivalent to 74.61% of the paid up capital of the company as on March 31, 2022.

SUBSIDIARY COMPANIES

The Company has following Subsidiaries:

- i) Majestic IT Services Limited (MITSL) (wholly owned subsidiary), engaged in the business of Facility Management Services. The Company managed to achieve revenue from operations of Rs. 420 Lakhs in the FY 2021-22.
- ii) Emirates Technologies Private Limited (ETPL), whose 80% equity was acquired by the Company in September 2015 and has its operations in National Capital Region (Delhi NCR). The main objective for the acquisition was to diversify investments and operations of the Company. The main objects of ETPL are in the business of Facility Management Services or related services.

A statement containing the salient features of the financial statements of the Subsidiaries, Joint Ventures and Associates of the Company in Form AOC-1, as required under the Companies (Accounts) Rules, 2014, as amended, also forms part of the Notes to the financial statements.

7. MATERIAL SUBSIDIARIES

The Board of Directors of your Company has approved a policy

10. BOARD AND KEY MANAGERIAL PERSONNEL (KMP)

Following changes took place in the composition of the Board and Key Managerial Personnel during the Financial Year 2021-22.

S. No.	Name of Director / KMP	Position	Nature of Change	Cessation / Resignation
1	Sanjeev Krishna Sharma	Independent Director	Appointment	May 08, 2021
2	Yogendra Kumar Gupta	Independent Director	Appointment	May 08, 2021
3	Anil Thapar	Independent Director	Appointment	May 08, 2021
4	Sanjeev Krishna Sharma	Independent Director	Resignation	June 25, 2021
5	Yogendra Kumar Gupta	Independent Director	Resignation	June 25, 2021
6	Anil Thapar	Independent Director	Resignation	June 25, 2021
7	Juhi Garg	Company Secretary	Resignation	August 03, 2021
8	Sham Lal Mohan	Independent Director	Resignation	September 02, 2021
9	Naveen Jain	Independent Director	Resignation	September 02, 2021
10	Vikas Nanda	Independent Director	Resignation	September 02, 2021
11	Pradip Kumar Mittal*	Independent Director	Appointment	October 12, 2021
12	Rajesh Kumar Yaduvanshi*	Independent Director	Appointment	October 12, 2021
13	Mr. Dinesh Pandey	Company Secretary	Appointment	January 31, 2022
14	Mr. Dinesh Pandey	Company Secretary	Resignation	February 2, 2022

*Mr. Pradip Kumar Mittal and Dr. Rajesh Kumar Yaduvanshi were regularized as Independent Director in Annual General Meeting of the company held on dated November 29, 2021.

Ms. Parul Chadha was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. May 25, 2022 in the Board Meeting held on May 25, 2022.

for determining material subsidiaries. At present, your Company is having two material subsidiaries named **Emirates Technologies Private Limited and Majestic IT Services Limited** 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.

8. MATERIAL CHANGES & COMMITMENTS

No material changes and commitments have occurred, which can affect the financial position of the Company between the end of the Financial Year and upto the date of this Report except:

1. The Company has received show cause notice under Rule 4(1) of Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing penalties) Rules, 2005 by SEBI dated July 29, 2022 which has been duly replied within stipulated time.
2. The Company had successfully applied to be Resolution Applicant for Sharan Hospitality Private Limited and the resolution plan was approved by NCLT Mumbai Bench on 15 April 2021. However, due to SLP 20041 of 2021 filed by Diachi Sanyko Limited seeking stay of implementation of plan the matter remains pending.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders have been passed during the Financial Year 2021-22 by the regulators or courts or tribunals affecting the going concern status and Company's operations in the future.

However, the Company has received a warning letter dated September 8, 2021 from SEBI which was placed before the Board for its noting in its meeting held on October 12, 2021 and necessary disclosure was given to BSE.

Your Company in pursuance of Regulation 30 of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 filed the required intimations to the BSE w.r.t the above said appointments and resignations.

None of the Directors is disqualified from being appointed as or holding office of Directors as stipulated in Section 164 of the Companies Act 2013.

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. Anil Kumar Sharma, Mr. Pradip Kumar Mittal & Dr. Rajesh Kumar Yaduvanshi were already holding the position of Independent Directors of the company as per Section 149(6) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 as on March 31, 2022. In the opinion of the Board of Directors, all the 3 Independent Directors are persons of integrity, expertise and experience (including the proficiency).

The Company had received declarations from all the Independent Directors in accordance with Section 149 of the Companies Act, 2013 for the financial year 2021-22 that they meet the criteria of independence as laid out in Sub-Section (6) of Section 149 of the Companies Act, 2013. Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Independent directors, as per the provisions of Regulation 16(1)(b) of the Listing Regulations, also confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

11. BOARD MEETINGS

During the Financial Year 2021-22, Nine (9) Board Meetings were held and details of Board and Committee meetings attended by each Director are disclosed in the Corporate Governance Report annexed as part of Annual Report.

12. COMMITTEES OF BOARD

i. Nomination & Remuneration Committee:

The Board has duly constituted the Nomination & Remuneration Committee.

Nomination & Remuneration Committee constituted under section 178 of Companies Act 2013 consist of below mentioned members as on March 31, 2022:

Mr. Anil Kumar Sharma	Chairman
Mr. Pradip Kumar Mittal	Member
Dr. Rajesh Kumar Yaduvanshi	Member
Mr. Mahesh Munjal	Member

The Committee was duly re-constituted on October 21, 2021 post the resignation of 3 Independent Directors i.e. Mr. Vikas Nanda, Mr. Naveen Jain and Mr. Sham Lal Mohan w.e.f. September 2, 2021 who were members of this Committee.

The details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report.

ii. Audit Committee:

The Board has duly constituted the Audit Committee.

Audit Committee constituted under the provisions of Section 177 of the Companies Act, 2013 consist of below mentioned members as on March 31, 2022:

Mr. Pradip Kumar Mittal	Chairman
Dr. Rajesh Kumar Yaduvanshi	Member
Mr. Anil Kumar Sharma	Member
Mr. Mahesh Munjal	Member

The Committee was duly re-constituted on October 21, 2021 post the resignation of 3 Independent Directors i.e. Mr. Vikas Nanda, Mr. Naveen Jain and Mr. Sham Lal Mohan w.e.f. September 2, 2021 who were members of this Committee.

The details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report.

The Related Party Transactions for the quarter ended June 30, 2021, which was not approved by the Audit Committee Meeting held on August 14, 2021, was later ratified by the Audit Committee in its meeting held on November 12, 2021.

Further, there was no recommendation of Audit committee which was not accepted by the board. Hence, disclosure of the same is not required in this report.

iii. Corporate Social Responsibility:

The Board has duly constituted the Corporate Social Responsibility Committee.

Corporate Social Responsibility Committee constituted under the provisions of Section 135 of the Companies Act, 2013 consist of below mentioned members as on March 31, 2022:

Mr. Mahesh Munjal	Chairman
Mr. Aayush Munjal	Member
Mr. Anil Kumar Sharma	Member

The Committee was duly re-constituted on September 26, 2021 post the resignation of Independent Director i.e. Mr. Vikas Nanda who was a member of this Committee.

The details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report.

iv. Stakeholder Relationship Committee:

The Board has duly constituted the Stakeholder Relationship Committee.

The Stakeholder Relationship Committee consists of below mentioned members as on March 31, 2022:

Mr. Anil Kumar Sharma	Chairman
Mr. Aayush Munjal	Member
Mr. Mahesh Munjal	Member

The Committee was duly re-constituted on October 21, 2021 post the resignation of Independent Director i.e. Mr. Vikas Nanda who was a member of this Committee.

The details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report.

v. Vigil Mechanism Committee:

The Board has duly constituted the Vigil Mechanism Committee in FY 2020-21 (Whistle Blower Policy) to deal with concerns/complaints of directors and associates, if any.

The Vigil Mechanism Committee consists of below mentioned members as on March 31, 2022:

Mr. Anil Kumar Sharma	Chairman
Mr. Pradip Kumar Mittal	Member
Mr. Mahesh Munjal	Member

The Committee was duly re-constituted on October 21, 2021 post the resignation of Independent Director i.e. Mr. Sham Lal Mohan who was a member of this Committee.

The details of the Committee meetings and members who have attended the meetings are disclosed in the Corporate Governance Report annexed as part of Annual Report.

The details of the Policy are also provided in the Corporate Governance Report is available at the Investors Relations section on the Company's website at www.majesticauto.in.

13. 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, 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 on February 10, 2022 to review the performance of Non - Independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not granted any loans, guarantees or made investments within the meaning of Section 186 of the Act during the Financial Year 2021-22.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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, in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as **Annexure-A** to this Report.

During the Financial Year, the Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a revised Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions 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 is placed on the website of the Company i.e. www.majesticauto.in.

16. 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 2022-23 have been paid. The Company has paid the annual custodian fees for the year 2022-23 in respect of Shares held in dematerialized mode to NSDL & CDSL.

17. DEPOSITS

The Company has neither accepted nor renewed any deposits in terms of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2021-2022.

18. INSURANCE

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

19. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 of the Companies Act, 2013 ("the Act"), the Directors make the following statements that:

- (i) 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.
- (ii) The directors had 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.
- (iii) 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.
- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) 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.
- (vi) 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.

20. FUTURE OUTLOOK

The details of Future Outlook of the Company are disclosed in the Management Discussion and Analysis Report forming part of this report.

21. INTERNAL FINANCIAL CONTROLS

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.

22. AUDITORS

(i) Statutory Auditors and their Report

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 to be held in Calendar Year 2023. They have audited the Financial Statements of the company for the financial year under review.

There are no qualifications, reservations or adverse remarks and disclaimers made by the Statutory Auditors, in their Audit Report for the Financial Year 2021-22. Further, there were no frauds reported by the Statutory Auditors to the audit committee or the board under Section 143(12) of the Act for the Financial Year 2021-22.

(ii) Secretarial Auditors and their Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s VLA & Associates, Practicing Company Secretaries (UCN- 12007DE587900) as Secretarial Auditor of the Company for conducting the audit for the Financial Year 2021-22.

The Secretarial Audit Report issued for FY 2021-22 is annexed herewith as **Annexure-B** to this Report duly certified by M/s VLA & Associates, Practicing Company Secretaries (UCN- 12007DE587900), as Secretarial Auditor of the Company. The Secretarial Audit Reports of Emirates Technologies Private Limited and Majestic IT Services Limited, Subsidiaries, issued by Ms. Neeta Aggarwal, Practicing Company Secretary (COP: F9893) are also attached as **Annexure-B1** & **Annexure-B2** respectively.

Observation of the Secretarial Auditor of the Company for FY 2021-22:

During the period under review, there were some delay(s)/ lapse(s) in entering the minutes in minutes book, signing of minutes and secretarial standard compliance.

Management response on the above said observation:

The reason of the same was COVID-19 situation, resignation of Independent Directors & Company Secretary during the Financial Year, as explained by the Company's Management.

(iii) Internal Auditor

In terms of Section 138 of the Companies Act, 2013, the Company has appointed S. Tandon & Associates, Chartered Accountants as the Internal Auditors of the Company for the FY 2021-22.

The management has duly considered the Quarterly Internal Audit Reports issued by them & placed the same periodically before the Audit Committee & the Board. The suggestions/ observations of the Internal Auditor have been replied and corrective steps have been taken wherever possible.

23. COST AUDIT

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

24. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Act read with rules made thereunder, the Annual Return of the Company for the Financial Year ended on March 31, 2022 is available on the Company's website at www.majesticauto.in.

25. REMUNERATION POLICY

During the Financial Year 2021-22, the Board has, on the recommendation of the Nomination and Remuneration Committee, adopted a revised 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. The Key provisions of Nomination and Remuneration policy are appended as an **"Annexure-C"** to the Board's report.

26. PARTICULARS OF EMPLOYEES (SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

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-D"** and forms an integral part of this report.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion & Analysis Report forming part of the Annual Report is annexed as **"Annexure-E"** to this Report.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

Annual Report on Corporate Social Responsibility (CSR) activities is appended as an **"Annexure-F"** to this Report.

29. CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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-G"**.

30. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 ("the act") and Indian Accounting Standard (Ind AS) - 110 on Consolidated Financial Statements read with Ind AS-28 on Accounting for Investments in Associates and Joint Venture the Audited Consolidated Financial Statements for the year ended March 31, 2022, your Directors have the pleasure in attaching

the Consolidated Financial Statements which forms a part of the Annual Report. The financial statements has been consolidated with its 2 subsidiaries only i.e. Emirates Technologies Private Limited and Majestic IT Services Limited.

31. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has generally complied with the provisions of Secretarial Standard - 1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard - 2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India except minutes of some meetings have been approved & signed in subsequent meetings with some delays due to COVID restrictions & resignation of Independent Directors & Company Secretary during the financial year.

32. RISK MANAGEMENT POLICY 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.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND 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.

34. HUMAN RESOURCES

Industrial Relations

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. Internal transfer, job rotation and training have been inculcated at different levels of the organization hierarchy to evolve team leaders and managers. The above-mentioned measures will ensure a motivated workforce, promote the ownership and sharing economic growth of the Company.

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

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required

under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as 'Annexure-H' to this Report.

36. 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, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment.

37. OTHER INFORMATION

(i) Change in Nature of business, if any

There is no change in the nature of business of the Company during the year under review.

(ii) Proceeding under Insolvency and Bankruptcy Code, 2016

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 ("IBC Code") during the Financial Year and does not have any proceedings related to IBC Code. The Company has not made any onetime settlement during the Financial Year 2021-22 with Banks or Financial Institution.

(iii) Details of Difference between Amount of the Valuation Done at the Time of One Time Settlement and the Valuation Done While Taking Loan from the Banks or Financial Institutions

The Company has not done any one time settlement with the Banks or Financial Institutions during the financial year.

38. ACKNOWLEDGEMENT

The Board of Directors expresses their sincere appreciation to all the stakeholders of the Company for the trust, confidence and support bestowed upon us. The Board of Directors is also grateful to the holding company for their contribution towards the growth and success of the Company.

The Board of Directors assures to uphold the Company's commitment towards acting with honesty, integrity and respect and to be responsible and accountable to all the stakeholders of the Company.

The Board of Directors thanks all stakeholders for their commitment and invaluable contributions toward helping our business succeed and on course to deliver sustainable and profitable growth.

Please do look after the health and safety of yourself and your families.

On behalf of the Board of Directors
Majestic Auto Limited

Date: August 12, 2022
Place: Noida

Mahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)

Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contracts/arrangements/transactions	NA
c.	Duration of the contracts / arrangements/transactions	NA
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e.	Justification for entering into such contracts or arrangements or transactions	NA
f.	Date(s) of approval by the Board	NA
g.	Amount paid as advances, if any	NA
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

A.

a.	Name(s) of the related party and nature of relationship	Majestic IT Services Limited
b.	Nature of contracts/ arrangements/ transactions	Purchase of Service
c.	Duration of Contracts / arrangements/ transactions	01-Apr-21 To 31-Mar-22
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Facility Management Services, Rs. 420 Lakh
e.	Date(s) of approval by the Board, if any	NA*
f.	Amount paid as advances, if any	NA

*Due to Majestic IT Services Limited being wholly owned subsidiary of the Company

B.

a.	Name(s) of the related party and nature of relationship	Emirates Technologies Private Limited
b.	Nature of contracts/ arrangements/ transactions	Facility Management Agreement
c.	Duration of Contracts / arrangements/ transactions	01-Apr-21 To 31-Mar-22
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Interest bearing Security Deposit, Rs. 157.61 Lakh
e.	Date(s) of approval by the Board, if any	NA*
f.	Amount paid as advances, if any	NA

* Approved by the Audit Committee in its meeting held on November 12, 2021

C.

a.	Name(s) of the related party and nature of relationship	OK Hosiery Mills Private Limited
b.	Nature of contracts/ arrangements/ transactions	Rent, Maintenance, Electricity Expense as per Lease Deed
c.	Duration of Contracts / arrangements/ transactions	01-Apr-21 To 31-Mar-22
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Rent, Maintenance, Electricity Expense, Rs. 42.16, Rs. 7.03 and Rs. 0.39 Lakh respectively.
e.	Date(s) of approval by the Board, if any	NA*
f.	Amount paid as advances, if any	NA

* Approved by the Audit Committee in its meeting held on November 12, 2021

On behalf of the Board of Directors
Majestic Auto Limited

Mahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)

Date: August 12, 2022
Place: Noida

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

MAJESTIC AUTO LIMITED

CIN: L35911DL1973PLC353132

10 Southern Avenue, First Floor,

Maharani Bagh, New Delhi -110065

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

Based on my verification of the Company'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according 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 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'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period;
 - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period;
 - g. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period and;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the audit period.
- vi. Other laws as applicable specifically to the Company:

On the basis of our verification, examination and confirmation of management, we found that the Company is engaged in facility management, office space leasing and believe that no specific law is applicable to the Company.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above subject to following observation:

- i. **During the period under review, there were some delay(s)/lapse(s) in entering the minutes in minutes book, signing of minutes and secretarial standard compliance.**

The reason of the same was COVID-19 situation, resignation of Independent Directors & Company Secretary during the Financial Year, as explained by the Company's Management.

I 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 are as under

Adequate notices are 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.

Major decision at Board meetings and Committee meetings were carried through and recorded in the minutes. However, there was no such instance of any dissenting vote by any Director during the year under review.

I 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.

Further, I report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

For VLA & Associates
(Company Secretaries)

Vishal Lochan Aggarwal
(Proprietor)

FCS No.: 7241

C P No.: 7622

Peer Review Unique Identification No.: S2008DE102700

ICSI Unique Code: I2007DE587900

ICSI UDIN: F007241D000502098

Date: June 17, 2022

Place: Delhi

This report is to be read with my letter of even date which is annexed as "Annexure-I" and forms an integral part of this report.

Annexure-I

To,
The Members,
Majestic Auto Limited

CIN: L35911DL1973PLC353132

10 Southern Avenue, First Floor,

Maharani Bagh, New Delhi - 110065

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

Management's Responsibility:

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Auditor's Responsibility:

3. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VLA & Associates
(Company Secretaries)

Vishal Lochan Aggarwal
(Proprietor)

FCS No.: 7241

C P No.: 7622

Peer Review Unique Identification No.: S2008DE102700

ICSI Unique Code: I2007DE587900

ICSI UDIN: F007241D000502098

Date: June 17, 2022

Place: Delhi

Form MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Emirates Technologies Private Limited
10 Southern Avenue,
First Floor, Maharani Bagh,
New Delhi- 110065

I 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). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **EMIRATES TECHNOLOGIES PRIVATE LIMITED** 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according 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 there under; **Not Applicable**
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not Applicable**
 - 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**
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
 - 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 Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s); **Not Applicable**

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 observation:

- i. **During the period under review, there were some delay(s)/lapse(s) in entering the minutes in minutes book, signing of minutes and secretarial standard compliance**

The reason of the same was COVID-19 situation, resignation of Independent Directors & Company Secretary during the Financial Year, as explained by the Company's Management.

3. I 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, 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 member's views, if any are captured and recorded as part of the minutes.

4. **I further report that** as per explanation given to me and representation made by the management and relied upon by me 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.
5. **I further report** that there has been no instance of following during the audit period:
 - Public/ Rights/ Preferential issue of shares/ Debentures/ Sweat Equity.
 - Redemption/ Buy-Back of securities.
 - Major Decision taken by the Members in pursuance to section 180 of the Companies Act, 2013.
 - Merger/ Amalgamation/ Reconstruction etc.
 - Foreign Technical Collaborations.

Neeta Aggarwal
Practicing Company Secretary
M. No. F9893
COP: 13218
UDIN: F009893D000540797

Date: June 28, 2022

Place: Delhi

To,
The Members,
Emirates Technologies Private Limited
10 Southern Avenue,
First Floor, Maharani Bagh,
New Delhi- 110065

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report 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.

Neeta Aggarwal
Practicing Company Secretary
M. No. F9893
COP: 13218
UDIN: F009893D000540797

Date: June 28, 2022

Place: Delhi

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Majestic IT Services Limited
10 Southern Avenue,
First Floor, Maharani Bagh,
New Delhi- 110065

I 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). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **MAJESTIC IT SERVICES LIMITED** 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder; except delay in filing of some e-forms
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; Not Applicable
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Not Applicable
 - 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
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not Applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
 - 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 Company.

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

 - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with Stock Exchange(s); Not Applicable
2. 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 observation:
 - i. ***During the period under review, there were some delay(s)/lapse(s) in entering the minutes in minutes book, signing of minutes and secretarial standard compliance***
The reason of the same was COVID-19 situation, resignation of Independent Directors & Company Secretary during the Financial Year, as explained by the Company's Management.

3. I 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, 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, if any are captured and recorded as part of the minutes.

4. **I further report that** as per explanation given to me and representation made by the management and relied upon by me 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.
5. **I further report** that there has been no instance of following during the audit period:
 - Public/ Rights/ Preferential issue of shares/ Debentures/ Sweat Equity.
 - Redemption/ Buy-Back of securities.
 - Major Decision taken by the Members in pursuance to section 180 of the Companies Act, 2013.
 - Merger/ Amalgamation/ Reconstruction etc.
 - Foreign Technical Collaborations.

Neeta Aggarwal
Practicing Company Secretary
M. No. F9893
COP: 13218
UDIN: F009893D000540775

Date: June 28, 2022

Place: Delhi

To,
The Members,
Majestic IT Services Limited
10 Southern Avenue,
First Floor, Maharani Bagh,
New Delhi- 110065

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report 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.

Neeta Aggarwal
Practicing Company Secretary
M. No. F9893
COP: 13218
UDIN: F009893D000540775

Date: June 28, 2022

Place: Delhi

REMUNERATION POLICY

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

In terms of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time [SEBI (LODR), 2015], the objectives of the Nomination & Remuneration Committee (NRC) are as follows:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- ii. Identifying persons who are qualified to become directors and who may be appointed in senior management (SM) and Key Managerial Personnel (KMP) in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- iii. recommend to the Board the remuneration of the Directors, KMPs, SM and other employees;
- iv. Specifying the mechanism for evaluating the performance of the Directors, Board, its Committees and to carry out the evaluation process by itself or by Board or by an Independent external agency;
- v. Advising on Board diversity
- vi. Overseeing the succession plan for the Board and SM;
- vii. Deciding whether to extend or continue the term of appointment of the independent Director on the basis of the report of performance evaluation of the independent Directors

2. ELIGIBILITY CRITERIA FOR NOMINATION OF DIRECTOR(S), KMP(S) & SM

- a. He/She should:
 - i. have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business and/or relevant to the role he/ she is required to perform, as decided by the Committee/ Board;
 - ii. possess the highest personal and professional ethics, integrity, values and stature; and
 - iii. be willing to devote sufficient time and energy in carrying out his/her duties and responsibilities.
- b. A director should, in addition to the above:
 - i. comply with the eligibility criteria stipulated in the Articles of Association of the Company and Section 164 of the Act;
- c. A Managing Director or Whole-time Director or Manager should, in addition to the above:
 - i. fulfill the conditions specified in Section 196 read with Schedule V of the Act.
- d. An Independent Director should:
 - i. comply with the eligibility criteria stipulated in Section 164 & 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

3. REMUNERATION POLICY

- a. **Guiding Principles** - The guiding principles of remuneration of the Directors, KMP, SM and other employees of the Company are that:
 - i. the level and composition of remuneration is competitive, reasonable and aligned to market practices and sufficient to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
 - ii. the remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - iii. the remuneration is linked to key deliverables, appropriate performance benchmarks and metrics and varies with performance and achievements;
 - iv. there is an alignment of performance metrics with business plans and strategy, corporate performance targets and interest with stakeholders;
 - v. quantitative and qualitative assessments of performance are used to making informed judgments to evaluate performances;
 - vi. there is sufficient flexibility to take into account future changes in industry and compensation practice; and
 - vii. the pay takes into account both external market and Company conditions to a balanced 'fair' outcome.
- b. **Remuneration for the Whole-time Director, KMP and Senior Management Personnel**
 - i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
 - ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- iv. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- v. **Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders, wherever required. Apart from monthly remuneration Whole-time Director shall also be eligible for commission as may be approved by Board on recommendation of the Committee.
- vi. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Act & Schedule V, thereunder.
- vii. **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by a special resolution within two years from the date the sum becomes refundable.
- c. **Remuneration to Non- Executive Directors:** The Company shall obtain necessary approval(s), in terms of applicable laws for any remuneration to NEDs'.
- d. **Remuneration of Independent Directors ("ID")** - The Company pays sitting fee to IDs for attending the Board/Committee meetings as well as the traveling/boarding/conveyance expenses and reimbursement of expenses incurred for participating/ attending the Company's meetings or for attending any other trainings / meetings on behalf of the Company. The quantum of fees shall be determined, from time to time, by the Board subject to ceiling / limits as provided under Companies Act, 2013 and rules made thereunder.

Note: The detailed Nomination & Remuneration Policy of the company is uploaded at the website of the company at <http://www.majesticauto.in/pdf/Nomination%20&%20Remuneration%20Policy.pdf>

ANNEXURE - D

Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1.

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)	101.77	-
Aayush Munjal (Whole time Director) 01-Apr-21 to 13-Aug-2021	20.01	-

Note:

- The Non- Executive independent Directors are paid only sitting fees for attending the meetings of the Board and its Committees. 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.
- In the financial year, there was an increase of -5.03 % in the median remuneration of employees;
- There were 25 permanent employees on the rolls of the Company as on March 31, 2022.
- It is here by affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

2. 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 2021-22 (Rs.in lac)	Qualification	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last Employment	The percentage of equity shares held by the employee in the Company
Sh. Mahesh Munjal	Managing Director	157.72	Bachelor in Engineering & MBA	43	29-06-1993	68	Gujrat Cycle Ltd.	Nil

3. Particulars of employees as required Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the period ended the 31st March, 2022.

Name of Employee	Designation of the employee	Remuneration Received in 2021-22 (Rs.in lac)	Qualification	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last Employment	The percentage of equity shares held by the employee in the Company
Mahesh Munjal	Managing Director	157.52	Bachelor in Engineering & MBA	43	10/29/1993	68	GUJRAT CYCLE LIMITED	Nil
Aayush Munjal (01-Apr-21 to 13-Aug-2021)	Whole-time Director	27.45	Bachelor of Science in Computer Science	10	06/01/2011	34	MICROSOFT CORPORATION	Nil
Kumar Brajesh Prasad	Assistant Manager	7.58	MBA, MS	7	04/01/2015	32	-	Nil
Deepak Thapak	Manager-IT	6.04	B. Tech (CS & E)	15	05/09/2011	37	-	Nil
Rampal Singh	Accounts Officer	4.5	B.Com	12	01/08/2014	38	LG ELECTRONICS INDIA PRIVATE LIMITED	Nil
Rajesh Baghel	Accounts Executive	4.31	BBA	9	05/25/2014	30	IMPERIAL AUTO INDUSTRIES LTD	Nil

MAJESTIC AUTO LIMITED

Name of Employee	Designation of the employee	Remuneration Received in 2021-22 (Rs.in lac)	Qualification	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last Employment	The percentage of equity shares held by the employee in the Company
Madan Lal	Deputy Manager	3.87	B.A	8	08/14/2014	65	-	Nil
Raj Kumar Thakur	Assistant Manager	3.54	Graduate	32	08/08/1989	56	-	Nil
Hari Pal	Security	3.13	-	9	02/19/2013	51	-	Nil
Kamal Kishore	Supervisor	2.86	Graduate	28	03/29/1994	48	-	Nil

On behalf of the Board of Directors
Majestic Auto Limited

Mahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)

Date: August 12, 2022

Place: Noida

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Global Economy

The economic situation across the globe was displaying steady recovery but resurgence of the pandemic in certain geographies and the prevailing geo-political tensions have impacted this recovery. The increasing uncertainties and supply chain pressures have resulted in a world-wide inflationary environment resulting in tightening of monetary policies by Central Banks across the globe. As per International Monetary Fund (IMF) reports, global growth was projected to slow down from an estimated 6.1% in 2021 to 3.6% in 2022 – 0.8% lower than earlier estimated. Supply disruptions, rising food, energy and crude prices have pushed the inflation to record levels and in certain cases to decades' high levels. The high inflationary environment has led the Central Banks to start increasing interest rates along with partial unwinding of their accommodative monetary policies. On 4 May 2022, the US Fed hiked the base rates by 50 bps, which was one of the biggest hikes in the last two decades. According to a World Bank report, the pace of global economic recovery is expected to slow in the near term as recurring pandemic waves disrupt domestic activity, supply bottlenecks continue and policy support is withdrawn.

2. Industry Structure & Developments

Our commercial real estate assets majorly serve an IT sector clientele. While the IT sector has grown tremendously, and continues to be on a hiring spree, the office space looks very different today. The trend is to reduce the workstation structure, and build more collaborative spaces. We expect a major re-investment in office interiors and layouts across the world to meet this new hybrid work structure as people go back to work in offices.

Clients have also been seeking much greater flexibility in their lease commitments, and an enhanced set of IT services to be able to plug and play into any new office space for shorter spurts of time. Thus co-working spaces have taken a much larger portion of the market than they had before the advent of the work-from-home and hybrid office culture.

The IT industry is still transitioning from an entirely work in office culture to whatever version of the new paradigm each company will settle on. One thing is certain, they're using less office space for every worker they employ. Time will tell when their sheer growth will make up for this drastic dip in their office footprint. We remain bullish on the IT sector and realize that our growth is intertwined with that of our clients.

3. Indian Real Estate: Opportunities and Challenges /Threats/ Strategies

Opportunities

- **Inflation**

This year has been dominated by a surge in costs, disruption of supply chain, shortage of goods, and rising costs in almost everything we consume, except office space rentals. Our cost pressures continue to challenge us, and our customers remain demanding in every way.

- **Rising Interest Rates**

Over the past few months, the Fed, and RBI have raised interest rates to curb inflation at a faster pace than we have seen in decades. While the rates remain significantly lower

than they were when we got into this annuity business, the pace of change is certainly alarming to one and all.

- **Excess Supply in Noida Office Space**

As the pandemic led to a mass vacation of office space, somehow many developers have continued investment in building new office complexes. While this is a requirement for future growth, and will certainly be filled one day soon, we currently remain in an environment with over supply of space that is yet to be filled. This is putting pressure on both occupancy and pricing.

- **Uncertainty of COVID-19 Pandemic**

While clients have found a way to live with the waves of the pandemic and still come back to offices, there still remains a slight overhang of uncertainty of lockdowns. We're seeing this impact reduce with every wave.

- **Impact of Global Geo-political Tensions**

Although there is little direct impact of the Russia-Ukraine war on leasing behavior, it has impacted supply chains, availability of goods, and therefore costs of maintenance, construction, interiors, etc.

The Road Ahead/Positive Approach

2022-23 will be a year to strive to retain the current clients and maintain occupancy levels. There have been some discounts involved in the short term, but at this time it is important to survive the challenging period so we can be among the stronger players when the market rebounds. We're seeing aggressive new leasing activity and wish to grab the quality clients that will stay for long relationships.

Industrial land continues to be predictably stable, as clients have much deeper roots attached to their location. We still have a lot of unutilized inventory to be leased or sold and continue to be on the look out for good opportunities.

The land in Greater Noida seems to have appreciated considering the way forward for the Jewar Airport, but the local authorities remain peculiar in their regulations. Overall a good development that comes with its unique challenges.

3. Segment-wise/ Product-wise Performance

You are already aware that, your Company has significant presence in Noida, UP

Your Company along with its subsidiary/associate companies etc. have range of Commercial real estate leasing, Factory space leasing, and Facility Management business.

Tenants that have extended their lock in period, and lease periods. We see some smaller clients leaving, and some newer clients coming in already. We hope to have higher occupancy in the coming months.

Factory space occupiers have been more stable as they continue to use their space as before.

The Company operates in single segment only, therefore, the segment wise reporting is not applicable.

4. Outlook and Strategy

Our business continues to exhibit a stable performance amidst these challenging times.

The rental business has been witnessing some short-term temporary dislocations due to the pandemic. We continue to maintain a positive outlook on this segment for the long term and expect normalcy to return in due course.

The key elements of the strategy of the Company are the following:

- **Cost Optimization and Cash Management:**
 - The Company strives towards creating efficient cost structures in line with the scale of the business. It has successfully reset its cost base by significantly reducing cash overheads and the finance costs by tight controls and rate negotiations. It expects to sustain these cost structures into this next growth cycle. We expect to generate healthy cash flows to further deleverage the balance sheet and increased shareholders' value.
 - Company to consider sale /exit from non-core assets / slow moving investments if fetching better value and to reduce the debt.
 - The Company is improving its financial parameters through better performance and ensures repayment of principal amount to reduce the interest burden.
 - Upon continuous feedback from shareholders, company gave a substantial dividend last year. This will be considered again as cash flows allow, and the company is striving toward improving this position.

5. Outlook on Risks and Concerns

The Company is exposed to a number of risks such as economic, regulatory, taxation and environmental risks as well as sectoral investment outlook. Some risks that may arise in the normal course of business and could impact its ability to address future developments comprise credit risk, liquidity risk, counterparty risk, regulatory risk, commodity inflation risk and market risk.

The Company's strategy of focusing on key products and geographical segments is exposed to economic and market conditions. The Company has implemented robust risk management policies that set-out the tolerance for risk and your Company's general risk management.

6. Internal Control Systems and Adequacy

The Company's internal controls are commensurate with nature, size and complexities of operations. These internal control systems ensure compliance with all applicable laws and regulations and facilitate optimum utilization of available resources as also protect the interests of all stakeholders. The Company has clearly defined policies, standard operating procedures (SOPs), financial and operational delegation of authority (DOA) and organizational structure for its business functions to ensure a smooth conduct of its business.

7. Discussion on Financial Performance with respect to Operational Performance

The details of the financial performance of the Company are reflected in the Balance Sheet, Statement of Profit & Loss and other Financial Statements, appearing separately. Highlights are provided below:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total Income	2854.86	3088.48
Profit Before Tax	758.34	958.76

The financial performance of the Company has been further explained in the Board's Report of the Company for the Financial Year 2021-22 appearing separately.

The financial statements have been prepared in accordance with the requirement of Companies Act 2013, and applicable accounting standards issued by the Institute of Chartered Accountant of India.

8. Human Resources

The Company's core focus areas are building organizational capability and capacity, leveraging and nurturing key talent, encouraging meritocracy and enhancing people utilization in alignment with its business strategy. The Company is undertaking the following steps: Strengthening and diversifying the advisors and consultants: We're bringing in specialists from real estate and other industries who will enhance all domains, while keeping costs low, especially fixed costs. Key advisors have been brought in across functions including Finance, Business Development, Project Management and execution, Marketing, IT and Hospitality.

Various training and coaching programmes are being implemented to refresh and enrich its existing talent pool. The Company leverages diversity of knowledge, qualification, skill, professional experience, culture, geography and sectoral understanding to enhance its competitiveness. The Company believes in creating an inclusive environment, where diverse perspectives can enrich strategic perspectives. To enhance inclusiveness at work, our 'gender sensitivity' workshops sensitize environment in strengthening our conduct towards women colleagues. The Company's holistic wellness programme sensitized employees around work-life balance and importance of a healthy lifestyle, emotional, physical well-being and prevention of diseases. Regular medical checks, structured monthly health programmes, health bulletins, health talks and awareness campaigns were periodically conducted. The Company also rolled out a structured program to vaccinate all its employees and their families along with contractors' / partners' staff & their families.

9. Details of significant changes in key financial ratios along with detailed explanations thereof, including:

S. No.	Particulars	Financial Year 2021-22	Financial Year 2020-21
1.	Current Ratio (in times)	1.61	1.10
2.	Debt-Equity Ratio (in times)	0.10	0.10
3.	Debt Service Coverage Ratio (in times)	2.25	1.09
4.	Return on Equity Ratio (in %)	0.37%	2.37%
5.	Trade Receivables turnover ratio (in times)	6.42	7.22
6.	Trade payables turnover ratio (in times)	15.60	13.76
7.	Net capital turnover ratio (in times)	6.32	(6.71)
8.	Net profit ratio (in %)	8.62%	42.29%
9.	Return on Capital employed (in %)	2.35%	2.81%
10.	Return on investment (in %)	5.56%	4.25%

10. Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's views on the industry, expectations/predictions and objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. The Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments, possible risk of lockdown and/or

restrictions in certain geographies with the resurfacing of Covid-19 etc. Investors should bear this in mind when considering the above statements.

**On behalf of the Board of Directors
Majestic Auto Limited**

**Date: August 12, 2022
Place: Noida**

**Mahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)**

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. Brief outline on CSR Policy of the Company.

- (a) As a corporate citizen, Majestic Auto Limited (“MAL”) committed to identify and implement activities that are beneficial to the society through Corporate Social Responsibility (“CSR”) initiatives. In pursuant to this, MAL framed a CSR policy for the purpose of philanthropy and complying with the rules framed under Companies Act, 2013. This Policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of community at large.
- (b) The objective of CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner and at the same time recognize the interests of all its stakeholders.
- (c) The CSR Policy has been made in line with the Section 135 of Companies Act, 2013 and its amendments from time to time (“The Act”). The Company aims to contribute to activities that are beneficial to the society and community at large in alignment with the areas specified in Schedule VII of the Companies Act, 2013 as amended from time to time.

2. Composition of CSR Committee

As on the date of this report, composition of CSR Committee is as follows:

S. No	CSR Committee Member	Role in the CSR Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mahesh Munjal	Chairman	2	2
2	Mr. Aayush Munjal*	Member	2	2
3	Mr. Anil Kumar Sharma*	Member	2	2

*CSR committee reconstituted as on September 26, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

The Composition of the CSR Committee, CSR Policy and CSR projects are available at the Investor Section on the Company’s website at: <http://www.majesticauto.in/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

No impact assessment of CSR projects was carried out as the same is not applicable to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be set-off for the financial year, if any (in Rs. Lakhs)
1	2020-21 (Excess Spent in Financial Year)	17.22	17.22

6. Average net profit of the Company as per section 135(5) of the Act: Rs. 979.35 Lakhs

7.

Details	Amount (in Rs. Lakhs)
(a) Two percent of average net profit of the company as per section 135(5)	19.59
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(c) Amount required to be set off for the Financial Year, if any	(17.22)
(d) Total CSR obligation for the Financial Year (7a+7b-7c).	2.37

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
7.58	-	-	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the Financial Year: Not Applicable

1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.Lakhs)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	ShikshaYojna	Schedule VII (ii)	Yes	Punjab	Punjab	6.58	No	Noble Foundation	CSR00001728
2	Healthcare	Schedule VII (i)	Yes	Punjab	Chandigarh	1.00	No	Chandigarh Central Rotary Club Service Trust	CSR00013255
TOTAL						7.58			

(d) Amount spent in Administrative overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 7.58 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs)
i.	Two percent of average net profit of the Company as per section 135(5)	19.59
ii.	Total CSR obligation for the Financial Year*	2.37
iii.	Total amount spent for the Financial Year	7.58
iv.	Excess amount spent for the Financial Year [(iii)-(ii)]	5.21
v.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
vi.	Amount available for set off in succeeding financial years [(iv)-(v)]	5.21

* This excludes an amount of Rs. 17.22 Lakhs, being the amount set-off in FY 2021-22 from the excess spend of the preceding financial year

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

On behalf of the Board of Directors
Majestic Auto Limited

Date: August 12, 2022
Place: Noida

Mahesh Munjal
(Chairman & Managing Director
and Chairman of CSR Committee)
DIN: 00002990

Rajpal Negi
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON 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 that 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 believes 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.

2. BOARD OF DIRECTORS

(a) Composition of the Board

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 in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2022. The Board comprises of 3 Directors being non-executive Independent Directors, one Managing Director, one Whole Time Director and one Women Non-executive 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 2021-22, Nine (9) Board Meetings were held on June 12, 2021, June 30, 2021, August 14, 2021, October 12, 2021, October 21, 2021, November 02, 2021, November 12, 2021, January 31, 2022 and February 12, 2022. The Board Members were given agenda papers along with necessary documents and information in advance of each Board and other committee meetings.

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2022 the Board of the Company comprised of Six (6) Directors consisting of two (2) Executive Directors and four (4) Non-Executive Directors.

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 as on March 31, 2022 are given below:

Name	(DIN)	Category/ Designation	No. of Board Meetings Attended	Number of Positions Held in Other Companies		Attendance at the Last AGM (November 29, 2021)	Name of other listed company
				Board ⁽¹⁾	Committee ⁽²⁾		
Mr. Mahesh Munjal	00002990	Executive Director (Chairman & Managing Director)	9	3	2	Yes	NIL
Ms. Aashima Munjal	00050716	Non -Executive Director	9	3	NIL	Yes	NIL
Mr. Aayush Munjal	07276802	Whole Time Director	9	2	NIL	Yes	NIL
Dr. Rajesh Kumar Yaduvanshi	07206654	Non-Executive Independent Director	5	1	NIL	Yes	NIL
Mr. Pradip Kumar Mittal	00061171	Non-Executive Independent Director	5	NIL	NIL	Yes	NIL
Mr. Anil Kumar Sharma	01157106	Non-Executive Independent Director	9	3	3	Yes	Winsome Textile Industries Limited

(1) Directorship in public limited companies, excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act 2013.

(2) Only covers Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of public limited companies.

(3) Mr. Vikas Nanda (DIN: 00106264), Mr. Naveen Jain (DIN: 00051183) and Mr. Sham Lal Mohan (DIN: 00028126) have resigned from the position of Independent Director on the Board w.e.f. September 02, 2021.

DETAILS OF BOARD MEETING HELD DURING THE FINANCIAL YEAR 2021-22

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	June 12, 2021	7	7
2.	June 30, 2021	7	7
3.	August 14, 2021	7	7
4.	October 12, 2021	4	4
5.	October 21, 2021	6	6
6.	November 2, 2021	6	6
7.	November 12, 2021	6	6
8.	January 31, 2022	6	6
9.	February 12, 2022	6	6

(b) Independent Directors:

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 are within respective limit prescribed under the Companies Act, 2013 and listing regulations.

The Company has adopted a process for the performance evaluation of the entire Board, Committees and individual Director including Independent Directors. Please refer to the Board's Report for details on the Performance Evaluation.

The details of familiarization programme for Independent Directors are available on the Company's website www.majesticauto.in

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 is daughter and Mr. Aayush Munjal is the 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 2021-22.

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.

The meeting of Independent Directors was held on February 10, 2022 and all the 3 independent directors were present in the same.

None of the present Independent Directors hold any shares (in his own name or on behalf of other person on beneficial basis) in the Company.

(c) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure 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 Disclosure 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

The Board members are given agenda along with necessary documents and information in advance of each meeting of the Board and Committee and the information as required to be placed before the Board in terms of Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) 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 March 31, 2022 which is annexed as **Appendix-A of Annexure G**.

(e) 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. 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.

(f) 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.

(g) Key Board skills / expertise / competencies

Board Parameter	Specific skills/expertise/competencies	Mahesh Munjal	Aayush Munjal	Aashima Munjal	Pradip Kumar Mittal	Rajesh Kumar Yaduvanshi	Anil Kumar Sharma
General Management & Business Operations	<ul style="list-style-type: none"> Knowledge and deeper understanding of Real Estate Sector. Experience and understanding on Financial Management, Decision Making, Communication, Leadership, Influencing, Stakeholders' Relations including long term interest of shareholders etc. Entrepreneurial mindset with outstanding organizational and leadership skills including experience in general management & administration of the organization. Knowledge of Macro / Global/ National / Sectoral Economy 	✓	✓	✓	✓	✓	✓
Financial & Risk Management	<ul style="list-style-type: none"> Experience in financial planning/analysis, controllership, finance operations, audit, information technology and consulting. Understanding the structures and systems which gives an oversight to the organization to effectively identify, assess and manage Enterprise Risk Management and Crises 	✓	✓	✓	✓	✓	✓
Legal, Regulatory, Corporate Governance, Ethics & Compliance	<ul style="list-style-type: none"> Expertise in Legal framework, the relevant laws, rules, regulation policies applicable to the industry/ sector and level/ status of compliances thereof. Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organization. Driving the business ethics, ethical policies, codes and practices Ability to monitor the compliance and knowledge of legal and regulatory requirements applicable to the Company 	✓	✓	✓	✓	✓	✓
Environment Sustainability & CSR	<ul style="list-style-type: none"> Experience in broad areas of Trade and Commerce, Sustainable Development Policy, Environmental Management, Governance. In depth understanding of, Renewable Energy, Finance, Planning and Science and Technology, and the local management of the districts. Deeper understanding of the Environmental issues such as Pollution mitigation and Control, Biodiversity conservation, Livelihood security, Climate Change etc. Experienced knowledge on community service and volunteer work for social cause. 	✓	✓	✓	✓	✓	✓
Strategic Planning & Business Acumen	<ul style="list-style-type: none"> Ability to think strategically, to propose ideas, identify options and plans that take advantage of available business opportunities while reflecting a broad and future-oriented perspective. Wider perspective on the business and industry, strategy implementation and change with vision & value creation.. 	✓	✓	✓	✓	✓	✓

Board Parameter	Specific skills/expertise/competencies	Mahesh Munjal	Aayush Munjal	Aashima Munjal	Pradip Kumar Mittal	Rajesh Kumar Yaduvanshi	Anil Kumar Sharma
Business Development, Sales & Marketing	<ul style="list-style-type: none"> Experience and ability to identify opportunities and threats to the company and to develop strategies, inter-alia to grow sales and market share, built brand awareness and equity. Deep knowledge and experience in business strategy, financial value and customer value creation. Develop a strategically aligned and values-based organizational culture. 	✓	✓	✓	✓	✓	✓

3. 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 March 31, 2022, 6 (Six) meetings of Audit committee were held on June 30, 2021, August 14, 2021, November 02, 2021, November 12, 2021, December 13, 2021 and February 12, 2022. The Composition of the Audit Committee and attendance record of members of the Audit Committee for the Financial Year 2021-22 is as under:

S. No.	Name	Designation	No. of Meetings entitled to attend*	No. of Meetings attended
1	Mr. Pradip Kumar Mittal	Chairperson	4	4
2	Mr. Anil Kumar Sharma	Member	4	4
3	Dr. Rajesh Kumar Yaduvanshi	Member	4	4
4	Mr. Mahesh Munjal	Member	4	4

**Mr. Vikas Nanda, Mr. Naveen Jain and Mr. Sham Lal Mohan were previous Committee Members. They ceased to be a members of the Committee due to resignation from the Board of the Company w.e.f. September 02, 2021.*

All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their relevant experience. 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.

The Company Secretary acts as the Secretary of the Audit Committee. The Managing Director, Chief Financial officer, 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 3 (three) Non-Executive Independent Directors consisting of Mr. Anil Kumar Sharma, Dr. Rajesh Kumar Yaduvanshi & Mr. Pradip Kumar Mittal and 1 (one) Executive Director i.e. Mr. Mahesh Munjal in accordance with the prescribed guidelines. All the members have sound knowledge in the field of finance, accounting and law.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on November 29, 2021.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

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, Three (3) Nomination and Remuneration Committee meeting was held on June 30, 2021, November 02, 2021 and January 31, 2022. The composition of the NRC and details of the meetings and attendance during the Financial Year 2021-22 are as under:

S. No.	Name	Designation	No. of Meetings entitled to attend*	No. of Meetings attended
1	Mr. Anil Kumar Sharma	Chairperson	2	2
2	Dr. Rajesh Kumar Yaduvanshi	Member	2	2
3	Mr. Mahesh Munjal	Member	2	2
4	Mr. Pradip Kumar Mittal	Member	2	2

**Mr. Naveen Jain, Mr. Vikas Nanda & Mr. Sham Lal Mohan were previous Committee Members. They ceased to be a members of the Committee due to resignation from the Board of the Company w.e.f. September 02, 2021.*

The Chairman of the NRC was present at the Annual General Meeting of the Company held on November 29, 2021.

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. 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 4 (Four) Non-Executive Independent Directors consisting of Mr. Anil Kumar Sharma, Dr. Rajesh Kumar Yaduvanshi & Mr. Pradip Kumar Mittal and 1 (one) Executive Director i.e Mr. Mahesh Munjal, Chairman & Managing Director of the Company.

REMUNERATION POLICY:

The Managing Director is paid remuneration recommended by Nomination & 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 would be 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 2021-22 are furnished below (Managing Director and Whole Time Director):

(Rs. In Lakhs)

Name	Salary and other perquisites	Commission	No. of Shares as on 31.03.2022	Stock Option Granted	Total	Services Contracts/ Notices /Severance Fees
Mr. Mahesh Munjal	157.72	-	-	-	157.72	Shareholders Appointed Mr. Mahesh Munjal For a period of 3 Years. Notice Period as per Company Policy. No Severances Fees
Mr. Aayush Munjal (From 01-Apr-21 to 13-Aug-2021)	27.65	-	-	-	27.65	Shareholders appointed Mr. Aayush Munjal For a period of 5 Years. Notice Period as per Company Policy. No Severances Fees
Ms. Aashima Munjal	0.20	-	-	-	0.20	Refer Note iii

NOTES:

- Re-appointment & Remuneration of Mr. Mahesh Munjal, Managing Director of the Company for a period of 3 years w.e.f. October 29, 2021 approved by the members of the Company in the Annual General Meeting held on November 29, 2021 by way of passing a special resolution.
 - Re-appointment of Mr. Aayush Munjal as Whole Time & designated as Joint Managing Director of the Company without remuneration for a period of 5 years w.e.f. August 14, 2021 approved by the members of the Company in the Annual General Meeting held on November 29, 2021 by way of passing an ordinary resolution.
 - Re-appointment of Ms. Aashima Munjal as Whole Time & Joint Managing Director of the Company without remuneration for a period of 5 years w.e.f. October 1, 2021 was not approved by the members of the Company in the Annual General Meeting held on November 29, 2021.
- b. The details of the sitting fees paid to the Non-Executive Directors of the Company during the financial year 2021-22 are given below:

(Rs. In Lacs)

Name	Salary and other perquisites	Commission	Total
Mr. Vikas Nanda	0.90	-	0.90
Mr. Naveen Jain	0.90	-	0.90
Mr. Sham Lal Mohan	0.90	-	0.90
Mr. Anil Kumar Sharma	3.60	-	3.60
Mr. Pradip Kumar Mittal	2.70	-	2.70
Dr. Rajesh Kumar Yaduvanshi	2.60	-	2.60

5. STAKEHOLDER RELATIONSHIP COMMITTEE (SRC)

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 this financial year, One (1) Stakeholder Relationship Committee meeting was held on February 10, 2022. The composition of the SRC and details of the meetings and attendance during the Financial Year 2021-22 are as under:

S. No.	Name	Designation	No. of Meeting(s) entitled to attend	No. of Meeting(s) attended
1	Mr. Anil Kumar Sharma	Chairperson	1	1
2	Mr. Mahesh Munjal	Member	1	1
3	Mr. Aayush Munjal	Member	1	1

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 for the purpose of registering complaints by the investors.

The Chairman of the SRC was present at the Annual General Meeting of the Company held on November 29, 2021.

As on date of this report, the Committee has one (1) Non-Executive Independent Directors consisting of Mr. Anil Kumar Sharma and two (2) Executive Director i.e Mr. Mahesh Munjal, Chairman & Managing Director of the Company and Mr. Aayush Munjal, Whole-time Director.

Name, designation and address of the Compliance Officer:

*Ms. Parul Chadha

Company Secretary & Compliance Officer

Corporate Office: Majestic Auto Limited, A-110, Noida Sector-4, UP-201301

**Ms. Parul Chadha was appointed as Company Secretary & Compliance Officer of the Company w.e.f. May 25, 2022.*

Mr. Dinesh Pandey was appointed w.e.f. January 31, 2022 & resigned w.e.f. Feb 02, 2022 as Company Secretary & Compliance Officer of the Company respectively.

Ms. Juhi Garg resigned as Company Secretary & Compliance Officer of the Company w.e.f. August 03, 2021.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Company comprises of three (3) Directors out of which one (1) is an Independent Director.

During this financial year, Two (2) Corporate Social Responsibility Committee Meetings were held on November 2, 2021 and February 10, 2022. The composition of the CSR Committee and

8. GENERAL BODY MEETINGS

(a) Locations, day, dates and times where the last three Annual General Meetings ("AGM")/Extra-Ordinary General Meeting (EGM) were held are as follows:

Meeting	Location	Date	Time	Description of Special Resolution(s)
48 th AGM	Through Video Conferencing/ Other Audio-Visual Means	Monday November 29, 2021	11.00 A.M	<ul style="list-style-type: none"> Re-Appointment & Remuneration of Mr. Mahesh Munjal Chairman and Managing Director of the Company by way of Special Resolution To Approved The Continuation of Mr. Mahesh Munjal as Chairman & Managing Director of the Company by way of Special Resolution
EGM	Through Video Conferencing/ Other Audio-Visual Means	Saturday, May 8, 2021	02:30 P.M.	<ul style="list-style-type: none"> No Special Resolution was passed in this meeting.
47 th AGM	Through Video Conferencing/ Other Audio-Visual Means	Wednesday, September 30, 2020	2:00 P.M.	<ul style="list-style-type: none"> No Special Resolution was passed in this meeting.

details of the meetings and attendance during the Financial Year 2021-22 are as under:

S. No.	Name	Designation	No. of Meetings entitled to attend	No. of Meetings attended
1.	Mr. Mahesh Munjal	Chairman	2	2
2.	Mr. Anil Kumar Sharma	Member	2	2
3.	Ms. Aayush Munjal	Member	2	2

The CSR activities undertaken by the Company during the year are set out in **Annexure- F** of the Board's Report.

The CSR Policy detailing the summary of CSR activities and CSR Annual Action Plan are accessible at the Investors section on the Company's website at www.majesticauto.in.

7. VIGIL MECHANISM COMMITTEE

The Vigil Mechanism Committee of the Company comprises of three (3) Directors out of which two (2) are Independent Directors.

During this financial year, Two (2) Committee Meetings were held on July 12, 2021 and February 10, 2022. The composition of the Vigil Mechanism Committee and details of the meetings and attendance during the Financial Year 2021-22 are as under:

S. No.	Name	Designation	No. of Meetings entitled to attend*	No. of Meeting attended
1	Mr. Anil Kumar Sharma	Chairman	2	2
2	Mr. Mahesh Munjal	Member	2	2
3	Mr. Pradip Kumar Mittal	Member	1	1

**Mr. Sham Lal Mohan ceased to be a member of the Committee due to his resignation from the position of the Independent director w.e.f. September 02, 2021. Ms. Aashima Munjal also ceased to be the member after re-constitution of the Committee.*

As on date of this report, the Committee has two (2) Non-Executive Independent Directors consisting of Mr. Anil Kumar Sharma and Mr. Pradip Kumar Mittal and one (1) Executive Director i.e. Mr. Mahesh Munjal, Chairman & Managing Director of the Company.

Meeting	Location	Date	Time	Description of Special Resolution(s)
46 th AGM	Lakshmiapat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Saturday, September 28, 2019	11:00 A.M.	<ul style="list-style-type: none"> Appointment of Mr. Sham Lal Mohan as an Independent Directors of the Company Appointment of Mr. Anil Kumar Sharma as an Independent Directors of the company 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

(b) Postal Ballot

During the Financial Year 2021-22, the Company did not conduct any postal ballot.

9. MEANS OF COMMUNICATION

a. The Company has been regular, by authorized mode, in sending the annual audited as well as quarterly unaudited results to the Stock Exchange on immediate basis, after they are taken on record by the Board of Directors.

b. The Company's quarterly and annual results have been published in Business Standard (English and Hindi) and have also been displayed on Company's website at www.majesticauto.in and company is also filing information's through BSE website at www.listing.bseindia.com.

c. 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 Board's Report.

10. GENERAL SHAREHOLDERS INFORMATION

(a) Basic Information:

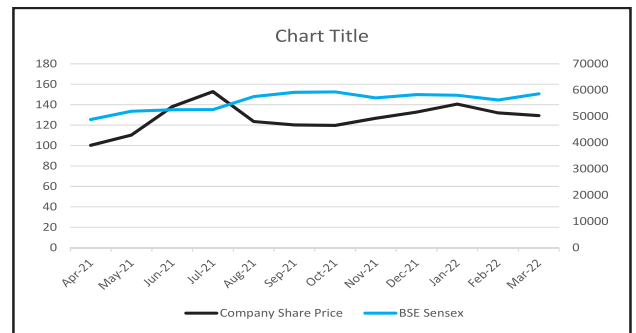
S. No.	Particular	Details
(i)	AGM Date, Time and Venue	The Company is conducting meeting through VC /OAVM. The deemed venue for the 49 th AGM shall be the Registered Office of the Company. For details please refer to the Notice of this AGM.
(ii)	Financial Year	April 01, 2021 to March 31, 2022
(iii)	Date of Book Closure	September 17, 2022 to September 23, 2022
(iv)	Dividend Payments	-
(v)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400 001.
(vi)	Stock Code	BSE- 500267 ISIN - INE201B01022
(vi)	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	NA

(b) Market Price Data*: High, Low on BSE during each month in the last Financial Year 2021-22:

Month	BSE	
	High(Rs.)	Low(Rs.)
Apr-21	117.00	92.30
May-21	118.90	98.05
June-21	149.95	110.00
July-21	176.00	137.00
Aug-21	158.00	118.55
Sep-21	128.00	115.70
Oct-21	126.95	112.00
Nov-21	166.80	115.70
Dec-21	138.00	121.25
Jan-22	143.05	125.00
Feb-22	165.00	123.05
Mar-22	138.85	125.00

*Source – BSE Limited

(c) Performance of Majestic Auto Limited (MAL) share prices in comparison to BSE Sensex*



*Source – BSE Limited

As on March 31, 2022, shares of the Company were not suspended from trading.

(d) **Registrar & Share Transfer Agent:**

S. No.	Particulars	Details
1.	Name	Alankit Assignments Limited
2.	Address	Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055
3.	Email id	rta@alankit.com
4.	Phone	(011) 23541234, 42541234

(e) **Share Transfer System**

Alankit Assignments Limited, Registrar & Share Transfer Agent (“RTA”) of the Company handles share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares, IEPF matters, etc. on regular basis in compliance with various provisions of the law, as applicable.

(f) **Distribution of Shareholding as on March 31, 2022**

No. of shares held (Rs.10/- paid up)	Folios		Shares of Rs.10/- paid up Value	
	Number	%	Number	%
1-500	7036	92.73	662412	6.38
501-1000	272	3.58	218300	2.10
1001 to 2000	130	1.71	194914	1.87
2001 to 3000	52	0.69	133065	1.28
3001 to 4000	29	0.38	102760	0.99
4001 to 5000	19	0.25	87429	0.84
5001 to 10000	25	0.33	183503	1.76
10001 and above	25	0.33	8815095	84.78
TOTAL	7588	100	10397478	100.00

(g) **Shareholding Pattern as on March 31, 2022**

Category	Holders (No.)	No. of Equity Shares	%age
Promoters			
Indian Promoters	2	77,98,108	75.00
Total Promoter Holding	2	77,98,108	75.00
Non Promoter Holding			
Foreign Portfolio Investors	5	2,251	0.02
Mutual Funds	2	2,778	0.03
Indian Public	7261	23,75,401	22.84
Others			
Body Corporates	66	1,13,160	1.09
NRI/OCBS	68	19,293	0.18
Co-op., HUF, Banks, Co-op. Societies, Trust, others	184	86,487	0.84
Total Non-Promoter Holding	7586	25,99,370	25.00
Grand Total	7588	1,03,97,478	100.00

(h) **Dematerialization of shares and liquidity:**

As on March 31, 2022, total 1,03,97,478 equity shares of face value of Rs. 10/- each are listed at BSE Limited. As on March 31, 2022, 98.67% of the Company’s total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders, if any.

(i) **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments during Financial Year 2021-22.

(j) **Commodity price risk or foreign exchange risk and hedging activities:**

There is no Commodity Risk and hedging activities. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

(k) **Plant location** : B-6, B-7 & B-9 Ecotech I, Extension, Greater Noida

(l) **Registered Office/Address of Correspondence** : 10 Southern Avenue, First Floor, Maharani Bagh New Delhi – 110065

Investors’ Correspondence may be Addressed to : Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055

Tel No. : 0120-4348907

Website : www.majesticauto.in

E-mail ID : grievance@majesticauto.in

(m) **Investor Education Protection Fund (“IEPF”)**

In terms of the provisions of Section 124 and 125 of the Companies Act, 2013 read with the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the Financial Year there was no unclaimed amount or shares that were required to be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government.

(n) ***Unclaimed Suspense Account (“Unclaimed Suspense Account”)**

The details of equity shares (“shares”) held in an Unclaimed Suspense Account are as follows:

S No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2021-22 (i.e. April 01, 2021)	248	30,560
2	*Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2021-22	-	-
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2021-22	-	-

S No.	Particulars	No. of Shareholders	No. of Shares
4	Number of shares transferred to Investor Education & Protection Fund (IEPF) Authority established by the Central Government during the Financial Year 2021-22	-	-
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2021-22	248	30560

**The Company received requests from shareholders for transfer of 958 Equity Shares from the Unclaimed Suspense Account after March 31, 2022 which were processed in due time.*

Notes:

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.

(o) **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.

(p) Queries Relating to the Financial Statements of the Company may be addressed to:

Mr. Rajpal Singh Negi, Chief Financial Officer

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

(q) **DISCLOSURES**

- (i) During the Financial Year 2021-22, the Company had no material significant related party transactions which is considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality significant related party transactions and the details of the policy are available at the Investors section on the Company's website at www.majesticauto.in. 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. The details of the Related Party transactions were placed periodically before and reviewed by the Company's Audit Committee in FY 2021-22.
- (ii) Details of non-compliances and penalties imposed on the Company by Bombay Stock Exchange Ltd. (BSE) are as follows: NIL
- (iii) 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.

- (iv) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- (v) The Company has also obtained a Certificate from M/s VLA & Associates, Practicing Company Secretaries to the effect that none of the Directors on the Board of the Company 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 other statutory authority (**Appendix D of Annexure G**).
- (vi) All the recommendations of all the Committees have been accepted by the Board of the Company.
- (vii) Details relating to fees paid to the Statutory Auditors are given in Notes to the Financial Statements.
- (viii) The Company has not adopted the non-mandatory requirements as specified under SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015.
- (ix) Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI Listing Regulations, the Company has in place a whistle blower policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/ or improper conduct and to take suitable steps to investigate and correct the same. Directors, employees, vendors, customers or any person having dealings with the Company/ subsidiary(ies) may report non-compliance of the policy to the noticed persons. The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee during the year.
- (x) Please refer Board's Report for disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xi) The Company has duly complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR), 2015.
- (xii) Management Discussion and Analysis Report forms part of the Annual Report and annexed to the Board's Report.
- (xiii) In terms of the requirement of the Regulation 17(8) of the SEBI (LODR), 2015, the certificate from CFO has been obtained (**Appendix C of Annexure G**).

(r) **Code of Conduct**

In terms of the requirement of Regulation 17(5)(a) of SEBI (LODR), 2015 & Section 149(8) read with Schedule IV of the Act, the Board of Directors of the Company have laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. As required, a declaration duly signed by the Chairman and Managing Director of the Company regarding affirmation of compliance with the Code of Conduct is attached as "**Appendix-A of Annexure G**".

(s) **Certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance**

A certificate from the Statutory Auditors is annexed as "**Appendix-B of Annexure G**" certifying the compliance of corporate governance requirements by the Company.

On behalf of the Board of Directors

Mahesh Munjal

(Chairman & Managing Director)

(DIN: 00002990)

Date: August 12, 2022

Place: Noida

Appendix-A of Annexure GCorporate Governance Report
of Majestic Auto Limited**Declaration regarding Affirmation of compliance with the Code of Conduct**

I hereby, confirm that the Company has received affirmations in compliance with the Code of conduct for the Financial Year 2021-22 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015.

On behalf of the Board of Directors

Date: August 12, 2022
Place: NoidaMahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)**Appendix-B of Annexure G****TO THE MEMBERS OF MAJESTIC AUTO LIMITED****INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. We, SAR and Associates, Chartered Accountants, the Statutory Auditors of Majestic Auto Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 as applicable and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. We have also examined the Secretarial Auditor Report for the year ended on March 31, 2022.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SAR & Associates
Chartered Accountants
Firm's Registration No. 122400WCA Anubhav Goyal
Partner
Membership No. 123328
UDIN: 22123328AQFJCA6010Place: Delhi
Date: 12.08.2022

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 Majestic 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 March31, 2022 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material factor 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

Rajpal Singh Negi
Chief Financial Officer

Mahesh Munjal
Chairman & Managing Director

Date: August 12, 2022
Place: Noida

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

I have examined the following documents:

- i) Intimation of disqualification as required under Section 164 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014; and
- ii) Disclosure of concern or interests in other entities as required under Section 184(1) of the Act read with Rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014;

as submitted by the Directors of **Majestic Auto Limited** having CIN L35911DL1973PLC353132 and having registered office situated at 10 Southern Avenue, First Floor, Maharani Bagh, New Delhi-110065 (hereinafter referred to as '**the Company**'), and other relevant registers, records, forms and returns as maintained by the Company and as produced before me for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 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 other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in the Company	Date of cessation, if any
1.	Mr. Mahesh Munjal	00002990	29/06/1993	-
2.	Ms. Aashima Munjal	00050716	14/08/2010	-
3.	Mr. Pradip Kumar Mittal	00061171	12/10/2021	-
4.	Mr. Anil Kumar Sharma	01157106	12/08/2019	-
5.	Mr. Rajesh Kumar Yaduvanshi	07206654	12/10/2021	-
6.	Mr. Aayush Munjal	07276802	14/08/2015	-
7.	Mr. Yogendra Kumar Gupta	07029287	08/05/2021	25/06/2021
8.	Mr. Anil Thapar	09052517	08/05/2021	25/06/2021
9.	Mr. Sanjiv Krishna Sharma	00057601	08/05/2021	25/06/2021
10.	Mr. Sham Lal Mohan	00028126	18/04/2019	02/09/2021
11.	Mr. Naveen Jain	00051183	10/08/2018	02/09/2021
12.	Mr. Vikas Nanda	00106264	14/02/2017	02/09/2021

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

For VLA & Associates
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)
Membership No.: F7241
C. P. No.: 7622

Peer Review Unique Identification No.: S2008DE102700
ICSI Unique Code: I2007DE587900
UDIN: F007241D000502131

Date: 17.06.2022
Place: New Delhi

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

A) CONSERVATION OF ENERGY:

- (i) Steps taken or impact on conservation of energy: **NIL**
- (ii) Steps taken by the Company for utilizing alternative sources of energy: **NIL**
- (iii) Capital investment on energy conservation equipment's: **NIL**

B) TECHNOLOGY ABSORPTION:

- (i) Efforts made towards technology absorption: **Not Applicable**
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year 2021-22): **Not Applicable**
- (iv) Expenditure incurred on Research and Development (R&D): **Not Applicable**

C) FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

On behalf of the Board of Directors
Majestic Auto Limited

Mahesh Munjal
(Chairman & Managing Director)
(DIN: 00002990)

Date: August 12, 2022
Place: Noida

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, 2022, 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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.

Key Audit Matters	How our audit addressed the key audit matter
<p>1. Assessment of recoverability of deferred tax asset</p> <p>As at 31 March 2022, the Company has recognized deferred tax liabilities of ₹ 602.41 lakhs (net) and reversed the deferred tax liabilities of ₹ 5,009.22 lakhs in Other Comprehensive Income (OCI)</p> <p>The Company has recognized a deferred tax assets (DTA) in respect of unabsorbed depreciation and business losses pertaining to the earlier assessment years. The balance of such DTA as at 31 March 2022 is Rs. 3,660.01 Lakhs.</p> <p>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.</p> <p>Considering, the amount is significant to the financial statement and involves significant judgment and estimates, the same has been considered as key audit matter.</p> <p>Refer Notes 7 to the Standalone Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • 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 7 to the financial statements.

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, 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 books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (h) (iv) and (h) (v) contain any material mis-statement
- vii. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
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

ICAI UDIN-22123328AMIRBJ7750

Delhi, 25 May, 2022

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, 2022 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, 2022, 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

ICAI UDIN-22123328AMIRBJ7750

Delhi, 25 May, 2022

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.

- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- 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.
 - c. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- 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, 2022 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, 2022 for a period of more than six months from the date they became payable.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. a. 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.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- 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. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit
- 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. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Sd/-
CA Anubhav Goyal
Partner**

Membership No. 123328
ICAI UDIN-22123328AMIRBJ7750

Delhi, 25 May, 2022

Majestic Auto Limited

Balance sheet as at 31 March 2022

			(₹ in Lakhs)
	Note	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	2	2,201.41	2,264.13
Right of use assets	2	349.26	89.69
Intangible assets	3	3.77	4.60
Investments property	4	4,644.85	4,761.44
Financial assets			
Investments	5	29,688.85	35,866.18
Other financial assets	6	1,688.04	1,690.84
Deferred tax assets (net)	7	5,155.41	747.73
Non-current tax assets (net)	8	195.63	47.29
Other non-current assets	9	14.64	3.28
Total non-current assets		43,941.86	45,475.18
Current assets			
Inventories	10	234.64	211.87
Financial assets			
Investments	5	0.10	0.11
Trade receivables	11	81.43	225.05
Cash and cash equivalents	12	241.83	332.25
Other bank balances	13	76.62	63.54
Other financial assets	6	575.03	98.78
Other current assets	9	25.98	26.35
Total current assets		1,235.63	957.95
Total assets		45,177.49	46,433.13
Equity and liabilities			
Equity			
Equity share capital	14	1,039.82	1,039.82
Other equity	15	39,372.29	40,669.55
Total equity		40,412.11	41,709.37
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	3,358.34	3,429.98
Lease liabilities	17	307.88	85.47
Other financial liabilities	18	250.03	240.61
Provisions	19	12.38	16.96
Other non-current liabilities	20	70.09	83.42
Total non-current liabilities		3,998.72	3,856.44
Current liabilities			
Financial liabilities			
Borrowings	16	367.43	487.62
Lease liabilities	17	68.72	20.16
Trade payables	21	-	-
- Outstanding dues of micro and small enterprises		-	-
- Outstanding dues of creditors other than micro and small enterprises		80.01	75.97
Other financial liabilities	18	187.39	182.38
Provisions	19	0.50	4.04
Other current liabilities	20	62.61	97.15
Total current liabilities		766.66	867.32
Total equity and liabilities		45,177.49	46,433.13

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

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Majestic Auto Limited
Statement of profit and loss for the year ended 31 March 2022

		(₹ in Lakhs)	
	Note	31 March 2022	31 March 2021
Income			
Revenue from operations	22	1,768.47	2,025.35
Other income	23	1,086.39	1,063.13
Total income		2,854.86	3,088.48
Expenses			
Cost of operation and services		1,011.73	1,229.36
Employee benefits expense	24	240.27	226.93
Finance costs	25	284.86	320.02
Depreciation and amortisation expense	26	220.39	207.69
Other expenses	27	339.27	145.72
Total expenses		2,096.52	2,129.72
Profit before tax		758.34	958.76
Tax expense			
Current tax	28	-	160.04
Less : MAT credit entitlement		-	(160.04)
Deferred tax		615.89	180.84
MAT credit reversal on account of adoption of new tax rate		1,729.93	-
DTA on account of adoption of new tax rate		(1,743.41)	-
Earlier years tax adjustments (net)		3.56	(78.65)
Profit/(Loss) for the year		152.37	856.57
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		(3.44)	11.54
Less: Income tax expense relating to items that will not be reclassified to profit and loss		0.87	(1.93)
Gain/(Loss) on fair value of FVOCI equity instruments		(5,676.47)	12,145.23
Less: Income tax expense relating to items that will not be reclassified to profit and loss		5,009.22	(2,027.28)
Total comprehensive income for the year		(517.45)	10,984.13
Earnings per equity share (Face value ₹ 10 per share)			
Basic (₹)	29	1.47	8.24
Diluted (₹)		1.47	8.24

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

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Majestic Auto Limited Statement of changes in equity as at 31 March 2022

A Equity share capital*

(₹ in lakhs)

Particulars	Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated opening balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	1,039.82	-	1,039.82	-	1,039.82

Particulars	Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated opening balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
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
	General reserve	Securities premium reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2020	500.00	129.52	19,223.77	9,832.13	29,685.42
Profit/(Loss) for the year	-	-	856.57	-	856.57
Other comprehensive income (net of tax)	-	-	9.61	10,117.95	10,127.56
Transfer on disposal of equity investment	-	-	-	-	-
Balance as at 31 March 2021	500.00	129.52	20,089.95	19,950.08	40,669.55
Profit/(Loss) for the year	-	-	152.37	-	152.37
Other comprehensive income (net of tax)	-	-	(2.57)	(667.25)	(669.82)
Dividends (for FY 2020-21)	-	-	(779.81)	-	(779.81)
Transfer on disposal of equity investment	-	-	460.35	(460.35)	-
Balance as at 31 March 2022	500.00	129.52	19,920.29	18,822.48	39,372.29

*Refer Note - 14 for details

**Refer Note - 15 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 & Associates
Chartered Accountants
Firm Registration No. 122400W

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Majestic Auto Limited

Cash Flow Statement for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Year ended on 31 March 2022	Year ended on 31 March 2021
	Audited	Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	758.34	958.76
Adjustments for:		
Depreciation on property, plant and equipment	220.39	207.69
Loss/(gain) on disposal of property, plant and equipment	-	(3.50)
Interest income	(178.58)	(174.64)
Dividend income	(874.95)	(874.95)
Balances write-off	0.43	1.45
Bad debts written-off	7.00	-
Allowance for doubtful debts	133.53	-
Provision written back	-	(0.23)
Finance costs	284.86	320.02
Liability written back	(24.18)	(0.73)
Operating loss before working capital changes	326.84	433.87
Movement in working capital		
Decrease/(increase) in inventories	(22.77)	9.84
Decrease/(increase) in other financial assets	(474.09)	232.32
Decrease/(increase) in trade receivables	(3.91)	(37.71)
Decrease other non-current assets	(11.36)	0.96
Decrease in other current assets	(1.78)	20.85
Decrease in other financial liabilities	8.02	(2.63)
Increase in other current liability	(14.03)	70.27
Increase in other non-current liability	(23.40)	(13.34)
(Decrease)/increase in provisions	(8.86)	4.00
(Decrease)/increase in trade and other payables	4.04	(41.84)
Cash flow from operating activities post working capital changes	(221.29)	676.59
Income tax paid (net)	(155.38)	(62.24)
Net cash flow from operating activities (A)	(376.67)	614.35
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(11.53)	(12.46)
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	-	6.37
Proceeds from sale of investments	500.86	-
Purchases of short-term investments	-	(0.11)
Redemption in margin money	(13.08)	(3.25)
Cash loans and advances	-	(161.19)
Dividend received	874.95	874.95
Interest received	178.60	171.16
Net cash flow from investing activities (B)	1,529.80	875.47
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	(191.83)	(849.95)
Payment of lease liabilities	(23.18)	(20.41)
Dividend paid	(779.81)	-
Interest paid	(248.73)	(305.34)
Net cash used in financing activities (C)	(1,243.55)	(1,175.70)
Increase in cash and cash equivalents (A+B+C)	(90.42)	314.12
Cash and cash equivalents at the beginning of the year	332.25	18.13
Cash and cash equivalents at the end of the year	241.83	332.25

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: Delhi

Date : 25 May 2022

For and on behalf of Majestic Auto Limited

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

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 is engaged in the business of providing facility management and rental services. The Company has its registered place of business at 10 Southern Avenue, First Floor, Maharani Bagh, Delhi-110065, 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.

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 2022 were authorized and approved by the Board of Directors on 25 May 2022.

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 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

Majestic Auto Limited**Notes to the Standalone financial statements for the year ended 31 March 2022**

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 derecognised.

d) 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 Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Subsequent measurement (Amortisation 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.

e) 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.

f) 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.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

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 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.

i) Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 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

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.

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 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.

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 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

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

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.

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 Company in accordance with the contract and all the 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.

n) 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.

o) 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

Majestic Auto Limited**Notes to the Standalone financial statements for the year ended 31 March 2022**

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.

p) 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.

q) 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. 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).

r) 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.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

s) 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.

t) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company 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.

Majestic Auto Limited
Notes to the financial statements for the year ended 31 March 2022

Note - 2

Property, plant and equipment

Particulars	(₹ in lakhs)									
	Freehold land	Building	Plant and equipment	Furniture & fixtures	Computers	Office equipment	Vehicles	Total	Right of use assets	
Gross block										
At 1 April 2020	162.67	2,283.56	6.71	148.61	1.26	195.56	270.18	3,068.55		120.43
Additions	-	-	0.09	-	2.35	10.02	-	12.46		-
Disposals/adjustments	-	-	-	-	-	-	(57.49)	(57.49)		-
Balance as at 31 March 2021	162.67	2,283.56	6.80	148.61	3.61	205.58	212.69	3,023.52		120.43
Additions	-	-	0.82	0.05	1.63	9.03	-	11.53		288.29
Disposals/adjustments	-	-	-	-	-	-	-	-		-
Balance as at 31 March 2022	162.67	2,283.56	7.62	148.66	5.24	214.61	212.69	3,035.05		408.72
Accumulated depreciation										
At 1 April 2020	-	311.98	0.10	107.28	0.07	174.98	146.15	740.56		15.37
Charge for the year	-	35.93	0.43	7.19	0.80	4.31	24.79	73.45		15.37
Disposals/adjustments	-	-	-	-	-	-	(54.62)	(54.62)		-
Balance as at 31 March 2021	-	347.91	0.53	114.47	0.87	179.29	116.32	759.39		30.74
Charge for the year	-	35.93	0.45	7.08	1.41	5.62	23.76	74.25		28.72
Disposals/adjustments	-	-	-	-	-	-	-	-		-
Balance as at 31 March 2022	-	383.84	0.98	121.55	2.28	184.91	140.08	833.64		59.46
Net block as at 31 March 2021	162.67	1,935.65	6.27	34.14	2.74	26.29	96.37	2,264.13		89.69
Net block as at 31 March 2022	162.67	1,899.72	6.64	27.11	2.96	29.70	72.61	2,201.41		349.26

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Note - 3

Intangible assets

		(₹ in lakhs)	
Particulars	Softwares	Total	
Gross block			
At 1 April 2020	47.83	47.83	
Additions	-	-	
Balance as at 31 March 2021	47.83	47.83	
Additions	-	-	
Balance as at 31 March 2022	47.83	47.83	
Accumulated amortisation			
At 1 April 2020	40.97	40.97	
Charge for the year	2.26	2.26	
Balance as at 31 March 2021	43.23	43.23	
Charge for the year	0.83	0.83	
Balance as at 31 March 2022	44.06	44.06	
Net block as at 31 March 2021	4.60	4.60	
Net block as at 31 March 2022	3.77	3.77	

Note - 4

Investment Property

		(₹ in lakhs)			
Particulars	Leasehold land	Buildings	Furniture & Fixtures	Total	
Gross block					
At 1 April 2020	3,295.41	2,255.55	63.96	5,614.92	
Additions	-	-	-	-	
Balance as at 31 March 2021	3,295.41	2,255.55	63.96	5,614.92	
Additions	-	-	-	-	
Balance as at 31 March 2022	3,295.41	2,255.55	63.96	5,614.92	
Accumulated depreciation					
At 1 April 2020	308.17	424.91	3.79	736.87	
Charge for the year	36.92	73.61	6.08	116.61	
Balance as at 31 March 2021	345.09	498.52	9.87	853.48	
Charge for the year	36.90	73.61	6.08	116.59	
Balance as at 31 March 2022	381.99	572.13	15.95	970.07	
Net block as at 31 March 2021	2,950.32	1,757.03	54.09	4,761.44	
Net block as at 31 March 2022	2,913.42	1,683.42	48.01	4,644.85	

(a) Amounts recognised in profit & loss for investment properties:

		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Rental income	351.79	396.23	
Direct operating expenses generating rental income (including repair and maintenance)	1.39	5.03	
Direct operating expenses that did not generate rental income (including repair and maintenance)	-	-	
Profit from investment properties before depreciation	350.40	391.20	
Depreciation	116.59	116.61	
Profit from investment properties	233.81	274.59	

Majestic Auto Limited**Notes to the Standalone financial statements for the year ended 31 March 2022****(b) 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 ₹ 2,768.47 lakhs (31 March 2021: ₹ 3,120.82 Lakhs) and for each of the following period:

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Within one year	400.20	352.35
Later than one year but not later than 5 years	1,725.86	1,665.83
Later than 5 years	642.40	1,102.63

(c) Fair value

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Fair value	7,200.00	9,275.00

(d) 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 Circle Rate basis.

Note - 5

(₹ in lakhs)

	31 March 2022	31 March 2021
A Investments		
Investment in equity instruments		
Subsidiary companies (unquoted, at cost)		
Majestic IT Services Limited		
16,776,500 (31 March 2021: 16,776,500) equity shares, fully paid up	1,677.65	1,677.65
Emirates Technologies Private Limited		
16,000,000 (31 March 2021: 16,000,000) equity shares, fully paid up	7,320.00	7,320.00
Equity investment in others (quoted, at market value)		
Fair value through other comprehensive income		
900,000 (31 March 2021: 921,000) equity shares of Hero Moto Corp Limited	20,671.20	26,848.53
Investment in optionally convertible redeemable preference shares		
Subsidiary company (unquoted, at cost)		
Majestic IT Services Limited		
200,000 (31 March 2021: 200,000) preference shares, fully paid up	20.00	20.00
	29,688.85	35,866.18
Aggregate amount of quoted investments	1,848.72	1,891.85
Aggregate market value of quoted investments	20,671.20	26,848.53
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 - 36.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Note - 5

(₹ in lakhs)

	31 March 2022	31 March 2021
B Investments		
Investment in Equity		
Investment carried at fair value through profit or loss (quoted, at market value)		
3 (31 March 2021: 3) units in Britannia Industries Ltd.	0.10	0.11
	0.10	0.11
Aggregate amount of quoted investments	0.11	0.11
Aggregate market value of quoted investments	0.10	0.11

Note - 6

A Other financial assets non-current		
(Unsecured, considered good)		
Unbilled receivable	65.28	77.63
Security deposits	1,622.76	1,613.21
	1,688.04	1,690.84
B Other financial assets - current		
(Unsecured, considered good)		
Unbilled receivables	30.21	51.86
Security deposits	30.11	30.11
Interest income accrued but not due	4.79	4.81
Advances recoverable in cash	9.05	9.99
Balance in Demat account	500.85	-
Others	0.02	2.01
	575.03	98.78

Note - 7

Deferred tax assets (net)		
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	-	1,729.93
Employee benefits	5.75	4.09
Conversion of capital assets into stock in trade	1,483.81	894.29
Financial instruments measured at amortised cost	0.27	0.13
Allowances for doubtful debts	47.55	9.25
Deferred tax assets on account of Ind AS-116 "Leases"	6.88	2.66
Unabsorbed business losses and depreciation**	3,660.01	3,134.12
Deferred tax liabilities arising on account of :		
Investment in fair value instruments measured at FVOCI	-	(5,009.22)
Financial instruments measured at amortised cost	(2.98)	(1.44)
Property, plant and equipment and other intangible assets	(26.34)	(1.06)
Straight lining of rental income	(19.54)	(15.02)
	5,155.41	747.73

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(i) Movement in deferred tax liabilities (net)				(₹ in lakhs)
Particulars	31 March 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2022
Liabilities				
Financial instruments measured at amortised cost	(1.44)	(1.54)	-	(2.98)
Straight lining of rental income	(15.02)	(4.52)	-	(19.54)
Investment in fair value instruments measured at FVOCI	(5,009.22)	-	5,009.22	-
Property, plant and equipment and other intangible assets	(1.06)	(25.28)	-	(26.34)
Assets				
Minimum alternative tax credit *	1,729.93	(1,729.93)	-	-
Employee benefits	4.09	0.79	0.87	5.75
Allowances for doubtful debts	9.25	38.30	-	47.55
Financial instruments measured at amortised cost	0.13	0.14	-	0.27
Deferred tax assets on account of Ind AS-116 "Leases"	2.66	4.22	-	6.88
Conversion of capital assets into stock in trade	894.29	589.52	-	1,483.81
Unabsorbed business losses and depreciation**	3,134.12	525.89	-	3,660.01
Total	747.73	(602.41)	5,010.09	5,155.41

(₹ in lakhs)				
Particulars	1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2021
Liabilities				
Financial instruments measured at amortised cost	(0.72)	(0.72)	-	(1.44)
Straight lining of rental income	(17.08)	2.06	-	(15.02)
Investment in fair value instruments measured at FVOCI	(2,981.94)	-	(2,027.28)	(5,009.22)
Property, plant and equipment and other intangible assets	19.26	(20.32)	-	(1.06)
Assets				
Minimum alternative tax credit *	1,491.57	238.36	-	1,729.93
Employee benefits	5.68	0.34	(1.93)	4.09
Allowances for doubtful debts	9.25	-	-	9.25
Financial instruments measured at amortised cost	0.10	0.03	-	0.13
Deferred tax assets on account of Ind AS-116 "Leases"	1.42	1.24	-	2.66
Conversion of capital assets into stock in trade	894.29	-	-	894.29
Unabsorbed business losses and depreciation**	3,297.59	(163.47)	-	3,134.12
Total	2,719.42	57.52	(2,029.21)	747.73

*Expiry date of minimum alternative tax credit:

(₹ in lakhs)		
Expiry year	31 March 2022	31 March 2021
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	-	773.83
1 April 2034 - 31 March 2035	-	513.13
1 April 2035 - 31 March 2036	-	78.62
1 April 2036 - 31 March 2037	-	160.04
Total	-	1,729.92

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

**Expiry date of unused tax losses and depreciation for which no deferred tax asset has been recognised: (₹ in lakhs)

Expiry year	31 March 2022	31 March 2021
Unused tax losses		
1 April 2022 - 31 March 2023	-	1,612.08
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	1,291.46
1 April 2027 - 31 March 2028	1,263.23	2,194.08
Unabsorbed depreciation for indefinite period	6,991.59	8,682.55
Total	14,542.32	18,776.21

Note - 8

Non - current tax assets (net)		
Advance income tax	195.63	204.63
Less: Provision for taxation	-	(157.34)
	195.63	47.29

Note - 9

A Other non-current assets (Unsecured, considered good)		
Prepaid expenses	14.64	3.28
	14.64	3.28
B Other current assets (Unsecured, considered good)		
Advances to suppliers	5.81	1.59
Prepaid expenses	11.79	8.87
Balance with government authorities		
-GST input	7.21	14.21
-Sales tax paid under dispute	0.66	1.17
Others	0.51	0.51
	25.98	26.35

Note - 10

Inventories (Lower of cost or net realizable value)		
Raw materials and components	20.00	20.00
Stores and spares	38.93	39.52
Stock in Diesel	47.56	24.20
Real Estate		
Land	128.15	128.15
	234.64	211.87

Note - 11

Trade receivables*		
Considered good	81.43	225.05
Considered doubtful	188.94	55.42
Less: Impairment allowance (allowance for expected credit loss)		
Considered good	-	-
Considered doubtful	(188.94)	(55.42)
	81.43	225.05

*for related party balances refer Note - 33.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Aging for trade receivable as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - considered good	46.00	29.66	1.61	0.46	-	77.73
Undisputed trade receivable - considered doubtful	-	2.59	2.22	2.34	132.62	139.77
Disputed trade receivable - considered good	-	3.71	-	-	-	3.71
Disputed trade receivable - considered doubtful	-	-	-	-	49.17	49.17
Total	46.00	35.96	3.83	2.80	181.79	270.37

Aging for trade receivable as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - considered good	27.69	59.85	8.19	20.62	72.61	188.96
Undisputed trade receivable - considered doubtful	-	-	-	-	42.33	42.33
Disputed trade receivable - considered good	-	-	-	-	36.10	36.10
Disputed trade receivable - considered doubtful	-	-	-	-	13.08	13.08
Total	27.69	59.85	8.19	20.62	164.12	280.47

	31 March 2022	31 March 2021
Note - 12		
Cash and cash equivalents		
Cash on hand	2.93	2.56
In current accounts	2.11	3.03
In fixed deposits	236.79	326.66
	241.83	332.25

Note - 13

Other bank balances		
Margin money *	65.63	63.54
In dividend current accounts (earmarked accounts)	10.99	-
	76.62	63.54

* Pledged as security for letters of credit/bank guarantees, for details refer Note - 36.

Note - 14

Equity share capital	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
i Authorised				
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
		4,000.00		4,000.00
ii Issued share capital				
Equity share capital of face value of ₹ 10 each	1,03,98,978	1,039.90	1,03,98,978	1,039.90
		1,039.90		1,039.90
iii Subscribed and fully paid up				
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)	-	-	-	-
		1,039.82		1,039.82

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares	Number	Amount	Number	Amount
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	-	-	-	-
Balance at the end of the year	1,03,97,478	10,39,74,780	1,03,97,478	10,39,74,780

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 Anadi 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.

viii Details of shareholding of promoters

Shares held by promoters at the end of 31 March 2022

Promoter name	No. of shares	%	% change during the year
Anadi Investments Private Limited	77,57,687	74.61%	-
Renuka Munjal	40,421	0.39%	-
Total	77,98,108	75.00%	-

Shares held by promoters at the end of 31 March 2021

Promoter name	No. of shares	%	% change during the year
Anadi Investments Private Limited	77,57,687	74.61%	-
Renuka Munjal	40,421	0.39%	-
Total	77,98,108	75.00%	-

Note - 15

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.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 16		
A Borrowings non-current		
Secured loans		
Term loans		
From banks	3,349.36	3,416.37
Vehicle loan from banks	8.98	13.61
	3,358.34	3,429.98

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2022	31 March 2021
Secured - term loan					
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 6.95% to 8%.	-	375.00
HDFC Bank - Overdraft				76.75	42.89
Deutsche Bank				3,021.71	2,757.54
Housing loan					
Punjab National Bank	Mortgage of flat no. C-100 (Block C), first floor, southern avenue, Maharani Bagh, New Delhi	180 equated monthly instalments of ₹ 11.06 lakhs each.	The rate of interest ranges from 7.60% to 8.70%.	613.57	696.71
Vehicle loan					
Canara Bank	Vehicle loan is secured by mortgage of vehicle of the Company	84 EMI of ₹ 0.47 lakhs each	The rate of interest ranges from 9.20% to 9.45%.	13.74	18.15
				3,725.77	3,890.29

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note - 36.

(₹ in lakhs)

	31 March 2022	31 March 2021
B Borrowings - current		
Secured loans		
Short-term loans		
From banks	-	27.31
Current maturities of long-term borrowings	367.43	460.31
	367.43	487.62

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2022	31 March 2021
Secured - term loan					
HDFC Bank - Term Loan (Loan Moratorium)	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.	Repayable within one year.	The rate of interest ranges from 5.65% to 7.00%.	-	27.31
				-	27.31

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

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	Borrowings	Lease liabilities	Total
1 April 2020	4,767.55	113.57	4,881.12
Cash flows:			
- Repayment	(849.95)	(20.41)	(870.36)
- Proceeds	-	-	-
Non-cash:			
- Acquisitions - lease liabilities	-	-	-
- Interest expense	-	12.47	12.47
31 March 2021	3,917.60	105.63	4,023.23
Cash flows:			
- Repayment	(191.83)	(23.18)	(215.01)
- Proceeds	-	-	-
Non-cash:			
- Acquisitions - lease liabilities	-	288.29	288.29
- Interest expense	-	24.84	24.84
31 March 2022	3,725.77	395.58	4,121.35

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 17		
A Lease liabilities non-current		
Lease liabilities	307.88	85.47
	307.88	85.47
B Lease liabilities - current		
Lease liabilities	68.72	20.16
	68.72	20.16

Note - 18

A Other financial liabilities non-current		
Security deposits	250.03	240.61
	250.03	240.61
B Other financial liabilities - current		
Unclaimed dividend [^]	10.99	-
Others*	176.40	182.38
	187.39	182.38

* Represents provision for expenses at the end of the year.

[^]Does not include any amounts outstanding as at 31 March 2022 which are required to be credited to Investor Education and Protection Fund.

Note - 19

A Provisions - non-current		
Employee's post retirement/long-term benefits		
Gratuity	12.38	16.96
	12.38	16.96
B Provisions - current		
Employees' post retirement/long-term benefits		
Gratuity	0.26	0.98
Compensated absences	0.24	0.36
Provision for tax	-	2.70
	0.50	4.04

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 20		
A Other non-current liabilities		
Deferred income	70.09	83.42
	70.09	83.42
B Other current liabilities		
Payable to statutory authorities	29.18	36.13
Advance from customers	8.24	37.36
Deferred income	13.34	13.34
Others	11.85	10.32
	62.61	97.15

Note - 21

Trade payables		
Due to micro and small enterprises*	-	-
Due to others	80.01	75.97
	80.01	75.97

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2022 and 31 March 2021

Particulars	31 March 2022	31 March 2021
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.

Aging for trade payables as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	22.17	-	12.08	1.57	35.81
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	44.20	44.20
Total	22.17	-	12.08	45.77	80.01

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Aging for trade payables as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	18.08	12.08	0.04	1.57	31.77
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	44.20	44.20
Total	18.08	12.08	0.04	45.77	75.97

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 22		
Income from operations		
Sale of services		
Facility management services	1,416.68	1,628.01
Rental income	351.79	396.23
Other operating income:		
Others	-	1.11
	1,768.47	2,025.35

Note - 23

Other income		
Interest income		
- Bank deposits	18.92	14.69
- Intercorporate deposits	157.61	155.78
- Income tax refund	1.53	6.77
- Others	2.05	4.17
Dividend received	874.95	874.95
Financial assets carried at amortised cost	0.94	0.55
Gain on disposal of property, plant and equipment (net)	-	3.50
Liability written back	24.18	0.73
Provision written back	-	0.23
Miscellaneous receipts	6.21	1.76
	1,086.39	1,063.13

Note - 24

Employee benefits expense		
Salaries and incentives	207.83	193.52
Contributions to provident and other fund	30.33	31.66
Staff welfare expenses	2.11	1.75
	240.27	226.93

Note - 25

Finance costs		
Interest on		
- Term loan from banks	246.80	297.30
- Lease liabilities	24.84	12.47
Financial assets carried at amortised cost	11.29	9.71
Bank commission and charges	1.93	0.54
	284.86	320.02

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 26		
Depreciation and amortisation expense		
Depreciation on:		
Property, plant and equipment	74.25	73.45
Investments property	116.59	116.61
Amortisation on:		
Intangible assets	0.83	2.26
Right of use assets	28.72	15.37
	220.39	207.69

Note - 27

Other expenses		
Water, electricity and fuel	9.39	9.21
Repairs and maintenance		
- Plant and Machinery	-	0.09
- Buildings	6.14	1.49
- Others repair	1.58	2.28
Legal and professional	61.94	25.63
House keeping and security	36.10	38.18
Insurance	10.38	8.83
Rates and taxes	5.03	17.92
Printing and stationery	1.32	1.23
Rent	-	0.19
Business promotion	6.19	1.84
Auditor's remuneration		
- Statutory audit fee	2.50	2.50
Telephone and communication	5.94	5.18
Corporate social responsibility expenses*	21.37	1.60
Director's sitting fee	12.20	9.10
Donation	-	1.00
Annual maintenance charge	1.42	1.52
Fine and penalties	0.23	2.15
Listing and depository charges	3.91	4.03
Travelling and conveyance	8.38	4.72
Fees and subscriptions	2.72	4.59
Festival expenses	1.34	0.51
Postage & Courier Expenses	0.04	-
Prior period expenses	-	0.33
Balances written off	0.43	1.45
Bad debts written-off	7.00	-
Allowance for doubtful debts -expense	133.53	-
Miscellaneous expenses	0.19	0.15
	339.27	145.72

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.

- Gross amount required to be spent by the company during the year is ₹ 19.59 Lakhs (previous year ₹ 3.38 Lakhs).
- Amount spent during the financial year ended 31 March 2022 and 31 March 2021 on:

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2022	-	-	-
	31 March 2021	-	-	-
On purpose other than above	31 March 2022	26.58	-	-
	31 March 2021	1.60	-	-

*Corporate social responsibility (CSR) expenses	31 March 2022	31 March 2021
1. Amount required to be spent by the company during the year	19.59	3.38
2. Amount of expenditure incurred	26.58	1.60
3. Shortfall at the end of the year	(6.99)	1.78
4. Total of previous years shortfall,	-	1.78
5. Reason for shortfall	NA	See Note-A
6. Nature of CSR activities	Disaster Relief, Education, Skilling, Water, Sanitation and Hygiene	
7. details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

*CSR expenses of Rs. 1.78 Lakhs required to be spent/recognised in FY 2020-21 but were spent/recognised during the current year.

Note-A

During the year under review, the Company was required to spend money on CSR activities but due to some unavoidable circumstances like COVID-19 pandemic, company was not able to spend the entire required amount within the financial year 2020-21, thereafter, in compliance of second proviso to Section 135(5) of the Companies Act, 2013, the Company transferred the unspent amount in funds specified in Schedule VII till September 30, 2021.

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 28		
Income tax		
Tax expense comprises of:		
Current tax	-	160.04
Less : MAT credit entitlement	-	(160.04)
Deferred tax	615.89	180.84
MAT credit reversal on account of adoption of new tax rate	1,729.93	-
DTA on account of adoption of new tax rate	(1,743.41)	-
Earlier years tax adjustments (net)	3.56	(78.65)
Income tax expense reported in the statement of profit and loss	605.97	102.19
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 25.168% (31 March 2021: 27.82%) and the reported tax expense in profit or loss are as follows:		
Accounting profit before income tax	758.34	958.76
At India's statutory income tax rate of 25.168% (31 March 2021: 27.82%)	190.86	266.73
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	5.38	0.54
Earlier years tax adjustments (net)	(3.56)	(78.65)
Effect of changes in tax rate (net)	13.48	(106.69)
Others	399.81	20.27
Income tax expense	605.97	102.19

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2021	31 March 2020
Note - 29		
Earnings per share		
Net profit attributable to equity shareholders	152.37	856.57
Net profit/(loss) for the quarter (A)	152.37	856.57
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)	1.47	8.24
Diluted EPS (₹) (A/C)	1.47	8.24

Note - 30**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

(₹ in lakhs)

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVOCI*	Amortised cost	FVTPL	FVOCI*	Amortised cost
Financial assets						
Investments						
Equity instruments	0.10	20,671.20	-	0.11	26,848.53	-
Trade receivables	-	-	81.43	-	-	225.05
Cash and cash equivalents	-	-	241.83	-	-	332.25
Other bank balances	-	-	76.62	-	-	63.54
Other financial assets	-	-	640.31	-	-	176.41
Security deposits	-	-	1,622.76	-	-	1,613.21
Total financial assets	0.10	20,671.20	2,662.95	0.11	26,848.53	2,410.46
Financial liabilities						
Borrowings -	-	-	3,725.77	-	-	3,917.60
Lease liabilities	-	-	376.60	-	-	105.63
Trade payables	-	-	80.01	-	-	75.97
Other financial liabilities	-	-	437.42	-	-	422.99
Total financial liabilities	-	-	4,619.80	-	-	4,522.19

* 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 2022

(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 2022 and 31 March 2021

(₹ in lakhs)					
Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2022	20,671.20	-	-	20,671.20
	31 March 2021	26,848.53	-	-	26,848.53
Investments carried at fair value through profit or loss					
Equity investments	31 March 2022	0.10	-	-	0.10
	31 March 2021	0.11	-	-	0.11

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include - for listed equity shares, traded price on recognised stock exchange.

(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 2022		31 March 2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposits	Level 3	1,652.87	1,653.85	1,643.32	1,643.18
Other financial assets	Level 3	509.92	509.92	12.00	12.00
Total financial assets		2,162.79	2,163.77	1,655.32	1,655.18
Financial liabilities					
Borrowings	Level 3	3,725.77	3,725.77	3,917.60	3,917.60
Lease liabilities	Level 3	376.60	389.70	105.63	108.47
Other financial liabilities	Level 3	437.42	443.08	422.99	420.19
Total financial liabilities		4,539.79	4,558.55	4,446.22	4,446.26

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 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.
- (ii) 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 2022 was assessed to be insignificant.

Majestic Auto Limited**Notes to the Standalone financial statements for the year ended 31 March 2022****Note - 31****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.

(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 2022	31 March 2021
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	2,581.52	2,185.41
B: Medium	Trade receivables	270.37	280.47

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

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 2022	31 March 2021
Auto components	61.38	62.53
Consumer electronics	42.33	42.33
IT Industry	44.26	25.08
Others	122.40	150.52
Total	270.37	280.47

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 –

As at 31 March 2022

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	241.83	-	241.83
Trade receivables	270.37	(188.94)	81.43
Other bank balances	76.62	-	76.62
Other financial assets	2,263.07	-	2,263.07

As at 31 March 2021

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	332.25	-	332.25
Trade receivables	280.47	(55.42)	225.05
Other bank balances	63.54	-	63.54
Other financial assets	1,789.62	-	1,789.62

(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 2022	31 March 2021
Gross amount of trade receivables	270.37	280.47
Expected loss rate	69.88%	19.76%
Expected credit loss (loss allowance provision)	188.94	55.42

Reconciliation of loss provision – lifetime expected credit losses

(₹ in lakhs)

Reconciliation of loss allowance	Trade receivables
Loss allowance as on 1 April 2020	55.42
Impairment loss recognised	-
Amounts written off	-
Loss allowance on 31 March 2021	55.42
Impairment loss recognised	133.53
Amounts written off	-
Loss allowance on 31 March 2022	188.95

Majestic Auto Limited**Notes to the Standalone financial statements for the year ended 31 March 2022****(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 2022	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	490.32	413.57	2,052.06	99.54	3,055.49
Trade payable	80.01	-	-	-	80.01
Security deposits	-	14.37	1.27	329.68	345.31
Lease liabilities	68.72	69.01	229.22	211.23	578.19
Other financial liabilities	10.99	-	-	-	10.99
Total	650.04	496.96	2,282.55	640.45	4,070.00

(₹ in lakhs)					
31 March 2021	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	513.46	138.46	407.73	3,043.76	4,103.42
Trade payable	80.79	-	-	-	80.79
Security deposits	15.02	-	1.27	329.68	345.96
Lease liabilities	23.18	23.18	76.80	22.77	145.94
Other financial liabilities	63.02	-	-	-	63.02
Total	695.48	161.65	485.80	3,396.21	4,739.13

The Company had access to following funding facilities :

(₹ in lakhs)			
As at 31 March 2022			
Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	2,175.00	1,178.04	996.96
1-2 years	275.00	275.00	-
Above 2 years	2,650.00	2,645.42	4.58
Total	5,100.00	4,098.46	1,001.54

(₹ in lakhs)			
As at 31 March 2022			
Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	487.62	487.62	-
1-2 years	92.37	92.37	-
Above 2 years	4,812.18	3,337.61	1,474.57
Total	5,392.17	3,917.60	1,474.57

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(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 2022	31 March 2021
Variable rate borrowing	3,725.77	3,917.60
Fixed rate borrowing	-	-
Total borrowings	3,725.77	3,917.60

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 2022	31 March 2021
Interest rates – increase by 25 basis points	9.31	9.79
Interest rates – decrease by 25 basis points	(9.31)	(9.79)

b. Assets

The Company's interest bearing security deposits and loans are carried at fixed rate. 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.

(ii) 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 2022	31 March 2021
Price sensitivity		
Price increase by (5%) - FVOCI	1,033.56	1,342.43
Price decrease by (5%) - FVOCI	(1,033.56)	(1,342.43)
Price increase by (5%) - FVTPL	0.01	0.01
Price decrease by (5%) - FVTPL	(0.01)	(0.01)

Note - 32

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 2022

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Net debts*	3,483.94	3,585.35
Total equity	40,412.11	41,709.37
Net debt to equity ratio	0.09	0.09

*Net debt = long-term borrowings + short-term borrowings + current maturities of long-term borrowings + book overdraft + interest accrued - cash and cash equivalents

Note - 33

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. Ashima Munjal (Director)

- Mr. Aayush Munjal (Director)

- Mr. Anil Kumar Sharma (Independent Director)

- Mr. Pradip Kumar Mittal (Independent Director) w.e.f 12th October 2021

- Mr. Rajesh Kumar Yaduvanshi (Independent Director) w.e.f 12th October 2021

- Mr. Vikas Nanda (Independent Director) resign w.e.f 02nd September 2021

- Mr. Naveen Jain (Independent Director) resign w.e.f 02nd September 2021

- Mr. Sham Lal Mohan (Independent Director) resign w.e.f 02nd September 2021

- Mr. Rajpal Singh Negi (Chief Financial Officer)

- Ms. Juhi Garg (Company Secretary) till 03rd August 2021

- Mr. Dinesh Pandey (Company Secretary) from 01st February 2022 to 02nd February 2022

- Mrs. Renuka Munjal (spouse of Managing Director)

(d) Enterprises over which Key Management Personnel is able to exercise significant influence with whom transactions has been undertaken:-

- 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	Holding Company	
1	TDS/TCS paid	31 March 2022	6.11	-	-	-	6.11
		31 March 2021	-	-	-	-	-
2	Rent paid	31 March 2022	-	-	42.16	-	42.16
		31 March 2021	-	-	20.60	-	20.60
3	Electricity expenses	31 March 2022	-	-	0.39	-	0.39
		31 March 2021	-	-	0.05	-	0.05

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

(₹ in lakhs)

S.No	Particulars	Year	Related Parties				Total
			Subsidiary Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	Holding Company	
4	Director's Sitting fees	31 March 2022	-	12.20	-	-	12.20
		31 March 2021	-	9.10	-	-	9.10
5	Maintenance and management expenses	31 March 2022	420.00	-	7.03	-	427.03
		31 March 2021	600.00	-	3.43	-	603.43
6	Interest received	31 March 2022	157.61	-	-	-	157.61
		31 March 2021	155.78	-	-	-	155.78
7	Dividend paid	31 March 2022	-	3.03	-	581.83	584.86
		31 March 2021	-	-	-	-	-
8	Security deposit given	31 March 2022	-	-	22.77	-	22.77
		31 March 2021	487.59	-	-	-	487.59
9	Remuneration paid*	31 March 2022	-	189.46	-	-	189.46
		31 March 2021	-	169.74	-	-	169.74

* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and incentives	189.46	169.74
Gratuity	-	-

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	Holding Company	
1	Security deposit given	31 March 2022	1,537.69	-	32.85	-	1,570.54
		31 March 2021	1,537.69	-	10.08	-	1,547.77
2	Trade Payable	31 March 2022	-	-	0.06	-	0.06
		31 March 2021	2.67	-	0.03	-	2.70
3	Remuneration payable	31 March 2022	-	11.09	-	-	11.09
		31 March 2021	-	4.58	-	-	4.58
4	Other payables	31 March 2022	0.77	-	-	-	0.77
		31 March 2021	-	-	-	-	-

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Note - 34

Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
(a) Guarantees excluding financial guarantees;		
Bank guarantees	44.20	44.20
Total	44.20	44.20

Excise duty/sales tax paid under protest amounting to ₹ Nil (previous years 31 March 2021 ₹ Nil) is appearing under the head balance with government authorities.

(a) The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note - 35

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 2022	31 March 2021
Present value of the obligation	17.36	22.36
Fair value of plan assets	4.72	4.41
Net obligation recognised in balance sheet as provision	12.64	17.94
Current liability (amount due within one year)	0.26	0.98
Non-current liability (amount due over one year)	12.38	16.96

ii) Expenses recognized in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Actuarial gain/(loss) on asset	0.01	-
Actuarial gain/(loss) on present benefit obligation	(3.45)	11.54
Unrecognised actuarial gain at the end of the year	(3.44)	11.54

iii) Actuarial (gain)/loss on obligation

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(0.65)	-
- Changes in experience adjustment	4.10	(11.54)

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

iv) Expenses recognised in statement of profit and loss (₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Current service cost	1.70	2.26
Net interest cost	1.22	1.73
Cost recognised during the year	2.92	4.00

v) Movement in the liability recognised in the balance sheet is as under: (₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Present value of defined benefit obligation at the beginning of the year	17.94	25.48
Current service cost	1.70	2.26
Interest cost	1.22	1.73
Actuarial gain on obligation	3.44	(11.54)
Benefits paid	(11.66)	-
Present value of defined benefit obligation at the end of the year	12.64	17.94

vi) Change in plan assets is as under: (₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the period	4.41	4.13
Actual return on plan assets	0.31	0.28
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	4.72	4.41

vii) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	100%	100%
Total	100%	100%

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.22%	6.80%
Salary escalation rate	9.00%	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 (2012-14) (31 March 2021: IALM (2012-14))

viii) (b) Maturity profile of defined benefit obligation (₹ in lakhs)

Particulars	31 March 2022	31 March 2021
0 to 1 year	0.26	0.98
1 to 2 year	4.06	0.39
2 to 3 year	1.25	3.83
3 to 4 year	0.44	1.14
4 to 5 year	0.22	0.32
5 to 6 year	2.46	0.31
6 year onwards	8.67	15.38

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

ix) Sensitivity analysis for gratuity liability		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
a) Impact of the change in discount rate			
Present value of obligation at the end of the year	17.36	22.36	
Impact due to increase of 0.50 %	(0.72)	(1.15)	
Impact due to decrease of 0.50 %	0.78	1.26	
b) Impact of the change in salary increase			
Present value of obligation at the end of the year	17.36	22.36	
Impact due to increase of 0.50 %	0.76	0.82	
Impact due to decrease of 0.50 %	(0.71)	(0.76)	

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 - 36

Assets pledged as security

The carrying amounts of assets pledged as security are:

		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Non-current			
Second charge			
Investment in equity instruments valued through OCI	18,282.53	26,848.53	
Total non-current assets pledged as security	18,282.53	26,848.53	
Current			
First charge			
Margin money	65.63	63.54	
Total current assets pledged as security	65.63	63.54	
Total assets pledged as security	18,348.16	26,912.07	

Note - 37

Dividend

Dividends paid during the year ended March 31, 2022 include an amount of ₹ 7.50 per equity share towards final dividend for the year ended March 31, 2021

Note - 38

Ratios

Ratios	Numerator	Denominator	31 March 2022	31 March 2021
Current Ratio (in times) ¹	Total current assets	Total current liabilities	1.61	1.10
Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.10	0.10
Debt Service Coverage Ratio (in times) ²	Profit before exceptional items, tax and finance cost	Debt service = (Finance cost + Principal repayment made for Non-current borrowings and Non-current lease liabilities)	2.25	1.09
Return on Equity Ratio (in %) ³	Profit for the year less Preference dividend (if any)	Average total equity	0.37%	2.37%
Trade Receivables turnover ratio (in times)	Revenue from operations	Average gross trade receivables	6.42	7.22
Trade payables turnover ratio (in times)	Cost of operation and services + Other expenses	Average trade payables	15.60	13.76

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2022

Ratios	Numerator	Denominator	31 March 2022	31 March 2021
Net capital turnover ratio (in times) ⁴	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	6.32	(6.71)
Net profit ratio (in %) ³	Profit for the year	Revenue from operations	8.62%	42.29%
Return on Capital employed (in %)	Profit before tax and finance costs	Capital employed = Total assets - Current liabilities	2.35%	2.81%
Return on investment (in %) ⁵	Income generated from invested funds	Average invested funds in treasury investments	5.56%	4.25%

¹Due to proceed from sale of non-current investment idle in Demat account which is current in nature.

²Due to reduction in repayment of borrowing and finance cost during the current year.

³Profit for the current year declined due to reduction in billing, provision for doubtful debt and deferred tax recognised on account of change in tax rate.

⁴Due to reduction in Current maturities of long term debt.

⁵Due to decline in fair value of Equity instruments (FVOCI) during the current year.

Note - 39

Disclosures as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"

Based on guiding principles given in Ind AS-108 on "Operating segments", the Company's business activity fall within a single operating segment namely real estate and management services. Accordingly, the disclosure requirements of Ind AS-108 are not applicable.

Information about major customer

During the year ended 31 March 2022 revenue of approximately 94.54% (previous year 31 March 2021: 94.84%) are derived from three external customer under 'Real Estate & Management Service'.

For SAR & Associates

Chartered Accountants
Firm Registration No. 122400W

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Date : 25 May 2022

For and on behalf of Majestic Auto Limited

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Mahesh Munjal)
Managing Director
DIN 0002990
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

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 31 March, 2022, 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 31 March, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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.

Key Audit Matters	How our audit addressed the key audit matter
<p>1. Assessment of recoverability of deferred tax asset</p> <p>As at 31 March 2022, the Group has recognized deferred tax liabilities of ₹ 674.96 lakhs (net). It has also reversed the deferred tax liabilities of ₹ 5,009.95 lakhs in Other Comprehensive income (OCI).</p> <p>The Group has recognized deferred tax assets (DTA) amounting to ₹ 5,184.75 lakh (net), out of which DTA in respect of unabsorbed depreciation and business losses pertaining to the earlier assessment years as at 31 March 2022 is ₹ 3,660.01 Lakhs.</p> <p>The Group has also recognized deferred tax liabilities (DTL) amounting to ₹ 3,280.53 lakh (net), out of which DTL in respect of Property, plant and equipment as at 31 March 2022 is ₹ 3,474.18 Lakhs.</p> <p>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.</p> <p>Considering, the amount is significant to the financial statements and this involves significant judgement and estimates by the Company's management in the preparation of forecast of future taxable profits based on underlying business plans, the same has been considered as key audit matter.</p> <p>Refer Notes 7 & 19 to the Consolidated Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • 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 7 & 19 to the financial statements.

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 Holding Company's Annual Report, but does not include the 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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 is 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 of which we are the independent auditors.

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 of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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

- i. 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 financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Company as on 31 March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2022 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 incorporated in India. 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 the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 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.
 - iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - v. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (h) (iv) and (h) (v) contain any material mis-statement
 - vii. The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
 - ii. 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

ICAI UDIN – 22123328AMISDW4209

**Place: Delhi
Date: 25 May 2022**

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 31 March, 2022, 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 31 March, 2022, 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**

**Place: Delhi
Date: 25 May 2022**

**Membership No. 123328
ICAI UDIN – 22123328AMISDW4209**

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)**

According to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

**Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
ICAI UDIN – 22123328AMISDW4209**

**Place: Delhi
Date: 25 May 2022**

Majestic Auto Limited

Consolidated Balance sheet as at 31 March 2022

(₹ in Lakhs)

	Note	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	2	2,256.55	2,340.01
Right-of-use assets	2	673.54	121.37
Investment property	3	27,278.60	27,770.75
Goodwill	4	4,087.37	4,087.37
Other Intangible assets	4	62.20	133.13
Financial assets			
Investment	5	20,671.20	26,848.53
Other financial assets	6	685.68	1,109.64
Deferred tax assets (net)	7	5,184.75	747.73
Non-current tax assets (net)	8	644.44	414.08
Other non-current assets	9	25.78	3.28
Total non-current assets		61,570.11	63,575.89
Current assets			
Inventories	10	234.64	211.87
Financial assets			
Investment	5	473.88	331.80
Trade receivables	11	186.40	283.29
Cash and cash equivalents	12	263.66	627.11
Other bank balances	13	76.62	63.54
Other financial assets	6	2,737.39	1,604.48
Other current assets	9	96.78	81.23
Total current assets		4,069.37	3,203.32
Total assets		65,639.48	66,779.21
Equity and liabilities			
Equity			
Equity share capital	14	1,039.82	1,039.82
Other equity	15	40,502.89	41,046.99
Equity attributable to the owners of the parent Company		41,542.71	42,086.81
Non-controlling interests		1,026.34	875.75
Total equity		42,569.05	42,962.56
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	14,538.29	15,618.50
Lease liabilities	17	1,118.79	620.92
Other financial liabilities	18	659.68	1,061.87
Deferred tax liabilities (net)	19	3,280.53	3,162.17
Provisions	20	30.85	31.16
Other non-current liabilities	21	237.52	354.87
Total non-current liabilities		19,865.66	20,849.49
Current liabilities			
Financial liabilities			
Borrowings	16	1,924.10	1,960.08
Lease liabilities	17	175.21	84.38
Trade payables	22	-	-
- Outstanding dues of micro and small enterprises		-	-
- Outstanding dues of creditors other than micro and small enterprises		114.42	80.86
Other financial liabilities	18	766.75	518.91
Provisions	20	23.64	41.34
Other current liabilities	21	200.65	281.59
Total current liabilities		3,204.77	2,967.16
Total equity and liabilities		65,639.48	66,779.21

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

For and on behalf of Majestic Auto Limited

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Majestic Auto Limited

Consolidated statement of profit and loss for the year ended 31 March 2022

	Note	31 March 2022	31 March 2021
(₹ in Lakhs)			
Revenue			
Revenue from operations	23	4,893.16	5,683.63
Other income	24	1,307.64	1,313.44
Total revenue		6,200.80	6,997.07
Expenses			
Cost of operation and services		591.73	629.36
Employee benefits expenses	25	520.75	453.68
Finance costs	26	1,437.23	1,692.00
Depreciation and amortisation expense	27	860.06	895.35
Other expenses	28	800.74	601.88
Total expenses		4,210.51	4,272.27
Profit before tax		1,990.29	2,724.80
Tax expense	29		
Current tax		256.81	482.30
Less : MAT Credit		-	-160.54
Deferred tax		688.44	300.83
MAT credit reversal on account of adoption of new tax rate		1,729.93	-
DTA on account of adoption of new tax rate		-1,743.41	-
Earlier years tax adjustments (net)		2.75	(78.65)
Profit/(Loss) for the year		1,055.77	2,180.86
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(2.95)	22.76
Less: Income tax expense relating to items that will not be reclassified to profit and loss		0.73	(5.05)
Gain/(Loss) on fair value of FVOCI equity instruments		(5,676.47)	12,145.23
Less: Income tax expense/(credit) relating to items that will not be reclassified to profit and loss		5,009.22	(2,027.28)
Total other comprehensive income for the year		-669.47	10,135.66
Total comprehensive income for the year		386.30	12,316.52
Profit attributable to:			
Owners		905.18	1,992.72
Non-controlling interests		150.59	188.14
Other comprehensive income attributable to:			
Owners		-669.47	10,135.66
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners		235.71	12,128.38
Non-controlling interests		150.59	188.14
Earnings per equity share (Face value ₹ 10 per share)	30		
Basic (₹)		10.15	20.97
Diluted (₹)		10.15	20.97

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

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

Sd/-
CA Anubhav Goyal
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Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Majestic Auto Limited

Consolidated statement of changes in equity as at 31 March 2022

A Equity share capital*

(₹ in lakhs)

Particulars	Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated opening balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	1,039.82	-	1,039.82	-	1,039.82

Particulars	Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated opening balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
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 2020	500.00	129.52	18,456.96	9,832.13	28,918.61	687.61	29,606.22
Profit/(Loss) for the year	-	-	1,992.72	-	1,992.72	188.14	2,180.86
Other comprehensive income (net of tax)	-	-	17.71	10,117.95	10,135.66	-	10,135.66
Transfer on disposal of equity investment	-	-	-	-	-	-	-
Balance as at 31 March 2021	500.00	129.52	20,467.39	19,950.08	41,046.99	875.75	41,922.74
Profit/(Loss) for the year	-	-	905.18	-	905.18	150.59	1,055.77
Other comprehensive income (net of tax)	-	-	-2.22	-667.25	-669.47	-	(669.47)
Dividends (for FY 2020-21)	-	-	-779.81	-	-779.81	-	(779.81)
Transfer on disposal of equity investment	-	-	460.35	-460.35	-	-	-
Balance as at 31 March 2022	500.00	129.52	21,050.89	18,822.48	40,502.89	1,026.34	41,529.23

*Refer Note - 14 for details

**Refer Note - 15 for details

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

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Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Majestic Auto Limited

Consolidated cash flow statement for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Year ended on 31 March 2022	Year ended on 31 March 2021
	Audited	Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	1,990.29	2,724.80
Adjustments for:		
Depreciation on property, plant and equipment	860.06	895.35
Loss/(gain) on disposal of fixed assets (net)	-	(3.50)
(Gain)/Loss on investment classified as FVTPL	(182.02)	(182.59)
Interest income	(153.45)	(191.58)
Dividend income	(874.95)	(874.95)
Dividend on investment classified as FVTPL	(0.44)	(0.18)
Balances written off	3.88	15.49
Bad debts written off	9.78	-
Allowance for doubtful debts	219.39	-
Liability write back	(61.24)	(5.17)
Provision write back	-	(0.23)
Finance costs	1,437.23	1,692.00
Operating profit before working capital changes	3,248.53	4,069.44
Movement in working capital		
Decrease/(Increase) in inventories	(22.77)	9.84
Decrease/(Increase) in other financial assets	(448.24)	255.81
Decrease/(Increase) in trade receivables	(53.42)	1.06
Decrease/(Increase) other non-current assets	(22.11)	2.29
Decrease/(Increase) in other current assets	(19.62)	53.07
Increase/(Decrease) in other financial liabilities	(133.94)	(85.96)
Increase/(Decrease) in other non-current liability	(127.42)	(94.56)
Increase/(Decrease) in other current liability	(60.43)	73.79
Increase/(Decrease) in provisions	(0.99)	6.65
Increase/(Decrease) in trade and other payables	35.90	(56.04)
Cash flow from operating activities post working capital changes	2,395.50	4,235.39
Income tax paid (net)	(494.33)	(120.82)
Net cash flow from operating activities (A)	1,901.18	4,114.57
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(12.07)	(38.83)
Payments for investment properties	(117.06)	(13.55)
Purchases of investments	(50.00)	(0.11)
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	-	6.37
Proceeds from sale of investments	500.92	67.70
Fixed bank deposits having original maturity more than 3 months	(344.55)	(1,235.27)
Redemption in margin money	(13.08)	(3.25)
Cash loans and advances	-	32.59
Dividend received	874.95	874.95
Interest received	176.39	88.42
Net cash flow from investing activities (B)	1,015.50	(220.98)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	23.15
Repayment of borrowings	(1,116.19)	(1,695.11)
Repayment of finance lease	(28.86)	(28.86)
Repayment of lease liabilities	(81.76)	(57.66)
Dividend paid	(779.81)	-
Interest paid	(1,273.51)	(1,534.67)
Net cash used in financing activities (C)	(3,280.13)	(3,293.15)
Decrease in cash and cash equivalents (A+B+C)	(363.45)	600.44
Cash and cash equivalents at the beginning of the year	627.11	26.67
Cash and cash equivalents at the end of the year	263.66	627.11

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

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

For and on behalf of Majestic Auto Limited

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CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Date : 25 May 2022

Sd/-
(Dr. Rajesh Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

1. Corporate information

Majestic Auto Limited (the 'Company' or 'Parent') is a public company together with its subsidiaries (collectively referred to as 'Group') is engaged in the business of leasing and provision of maintenance services. The Group is domiciled in India and its registered office is situated at 10, Southern Avenue, First Floor, Maharani Bagh, Delhi-110065, 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.

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 2022 were authorized and approved by the Board of Directors on 25 May 2022.

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 Basis of consolidation

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:

- 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.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

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

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

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) 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.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

h) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Group'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 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

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

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.

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.

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Notes to the consolidated financial statements for the year ended 31 March 2022

- 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 Group 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 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.

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Notes to the consolidated financial statements for the year ended 31 March 2022

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

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

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.

1.5 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.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Note - 2
Property, plant and equipment

Particulars	Freehold land	Building	Plant and equipment	Computers	Furniture & fixtures	IT equipment	Office equipment	Vehicles	Total	Right of use assets
Gross block										
At 1 April 2020	162.67	2,283.56	8.77	23.68	155.30	9.88	272.67	305.25	3,221.78	215.45
Additions	-	-	0.09	3.98	-	-	34.76	-	38.83	-
Disposals/transfer	-	-	-	-	-	-	-	(57.49)	(57.49)	-
Balance as at 31 March 2021	162.67	2,283.56	8.86	27.66	155.30	9.88	307.43	247.76	3,203.12	215.45
Additions	-	-	0.82	1.83	0.25	-	9.17	-	12.07	636.56
Disposals/transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	162.67	2,283.56	9.68	29.49	155.55	9.88	316.60	247.76	3,215.19	852.01
Accumulated depreciation										
At 1 April 2020	-	311.98	0.65	20.49	109.71	3.67	216.78	162.21	825.49	47.04
Charge for the year	-	35.93	0.61	2.03	7.80	1.56	15.34	28.97	92.24	47.04
Disposals/transfer	-	-	-	-	-	-	-	(54.62)	(54.62)	-
Balance as at 31 March 2021	-	347.91	1.26	22.52	117.51	5.23	232.12	136.56	863.11	94.08
Charge for the year	-	35.93	0.63	2.05	7.63	1.56	19.79	27.94	95.53	84.39
Disposals/transfer	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	383.84	1.89	24.57	125.14	6.79	251.91	164.50	958.64	178.47
Net block as at 31 March 2021	162.67	1,935.65	7.60	5.14	37.79	4.65	75.31	111.20	2,340.01	121.37
Net block as at 31 March 2022	162.67	1,899.72	7.79	4.92	30.41	3.09	64.69	83.26	2,256.55	673.54

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

Note - 3

Investment property

(₹ in Lakhs)

Particulars	Plant and equipment	Furniture and fixtures	Leasehold land	Building	Assets given on lease to Tenants	Total
Gross block						
At 1 April 2020	152.37	706.50	5,273.03	26,288.60	357.01	32,777.51
Additions	13.12	0.43	-	-	-	13.55
Balance as at 31 March 2021	165.49	706.93	5,273.03	26,288.60	357.01	32,791.06
Additions	54.88	62.18	-	-	-	117.06
Balance as at 31 March 2022	220.37	769.11	5,273.03	26,288.60	357.01	32,908.12
Accumulated depreciation/amortisation						
At 1 April 2020	29.47	507.47	408.30	3,266.00	125.36	4,336.60
Charge for the year	9.84	46.48	61.87	466.94	98.58	683.71
Balance as at 31 March 2021	39.31	553.95	470.17	3,732.94	223.94	5,020.31
Charge for the year	13.33	23.10	61.85	466.94	43.99	609.21
Balance as at 31 March 2022	52.64	577.05	532.02	4,199.88	267.93	5,629.52
Net block as at 31 March 2021	126.18	152.98	4,802.86	22,555.66	133.07	27,770.75
Net block as at 31 March 2022	167.73	192.06	4,741.01	22,088.72	89.08	27,278.60

(a) Amounts recognised in profit & loss for investment properties:

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Rental income	3,476.48	4,054.51
Direct operating expenses generating rental income (including repair and maintenance)	1,539.63	1,900.24
Direct operating expenses that did not generate rental income (including repair and maintenance)	-	-
Profit from investment properties before depreciation	1,936.85	2,154.27
Depreciation	609.21	683.71
Profit from investment properties	1,327.64	1,470.56

(b) 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 ₹ 10,493.36 lakhs (31 March 2021: ₹ 15,266.27 lakhs) and for each of the following period:

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Within one year	2,642.44	3,452.57
Later than one year but not later than 5 years	6,548.67	8,513.84
Later than 5 years	1,302.24	3,299.85

(c) Fair value

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Fair value	49,842.33	46,214.59

(d) 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 circle rate and replacement cost/market method.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Note - 4

Intangible assets

(₹ in lakhs)					
Particulars	Intangible assets	Softwares	Trade mark and licenses	Total	Goodwill
Gross block					
At 1 April 2020	762.29	47.83	0.38	810.50	4,087.37
Additions	-	-	-	-	-
Balance as at 31 March 2021	762.29	47.83	0.38	810.50	4,087.37
Additions	-	-	-	-	-
Balance as at 31 March 2022	762.29	47.83	0.38	810.50	4,087.37
Accumulated amortisation					
At 1 April 2020	563.66	40.97	0.38	605.01	-
Charge for the year	70.10	2.26	-	72.36	-
Balance as at 31 March 2021	633.76	43.23	0.38	677.37	-
Charge for the year	70.10	0.83	-	70.93	-
Balance as at 31 March 2022	703.86	44.06	0.38	748.30	-
Net block as at 31 March 2021	128.53	4.60	-	133.13	4,087.37
Net block as at 31 March 2022	58.43	3.77	-	62.20	4,087.37

Note - 5

(₹ in lakhs)		
	31 March 2022	31 March 2021
A Investments		
Investment in equity instruments		
Equity investment in others (quoted, at market value)		
Fair value through other comprehensive income		
900,000 (31 March 2021: 921,000) equity shares of Hero Moto Corp Ltd.	20,671.20	26,848.53
	20,671.20	26,848.53
Aggregate amount of quoted investments	1,848.72	1,891.85
Aggregate market value of quoted investments	20,671.20	26,848.53
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 - 37		
B Investments - current		
Investment in Equity		
Investment carried at fair value through profit or loss (quoted, at market value)		
3 (31 March 2021: 3) units in Britannia Industries Ltd.	0.10	0.11
Investments held for sale (Fair value through profit loss)		
Investment in Mutual Fund (Quoted, market rate)	142.29	172.56
Investment in Equity of other entity (Quoted, market rate)	328.28	151.51
Investment in Derivatives (Quoted, market rate)	3.21	7.62
	473.88	331.80
Aggregate amount of quoted investments	300.11	250.00
Aggregate market value of quoted investments	473.88	331.80

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Notes to the consolidated financial statements for the year ended 31 March 2022

	(₹ in lakhs)	
	31 March 2022	31 March 2021
Note - 6		
A Other financial assets - non-current (Unsecured, considered good)		
Unbilled receivables	85.25	114.55
Balance with banks in fixed deposit [^]	314.07	715.00
Security deposits	286.36	280.09
	685.68	1,109.64
^Lien marked for OD facility against Fixed deposit of Rs. 175 Lakhs		
B Other financial assets - current (Unsecured, considered good)		
Unbilled receivables	35.55	63.24
Balance with banks in fixed deposit	2,045.75	1,300.27
Advances recoverable in cash	9.19	11.17
Interest income accrued but not due	16.60	31.42
Interest income receivable on fixed deposits	17.96	28.07
MTM margin	52.53	52.33
Balance with fund manager	28.83	-
Balance in Demat account	500.85	-
Security deposits	30.11	30.11
Others	0.02	2.01
(Unsecured, considered doubtful)		
Advances recoverable in cash	85.86	85.86
Less: Allowance for doubtful debt	(85.86)	-
	2,737.39	1,604.48
Note - 7		
Deferred tax assets (net)		
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	-	1,729.93
Financial instruments measured at amortised cost	0.38	0.13
Employee benefits	20.88	4.09
Allowances for doubtful debts	71.44	9.25
Conversion of capital assets into stock in trade	1,483.81	894.29
Deferred tax assets on account of Ind AS-116 "Leases"	7.70	2.66
Property, plant and equipment and other intangible assets	(26.63)	(1.06)
Unabsorbed business losses and depreciation**	3,660.01	3,134.12
Deferred tax liabilities arising on account of :		
Financial instruments measured at amortised cost	(2.98)	(1.44)
Straightlining of rental income	(19.54)	(15.02)
Investments carried at FVTPL	(10.32)	-
Investment in fair value instruments measured at FVOCI	-	(5,009.22)
	5,184.75	747.73

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Notes to the consolidated financial statements for the year ended 31 March 2022

Movement in deferred tax assets (net)

Particulars	31 March 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Minimum alternative tax credit utilised	31 March 2022
Assets					
Minimum alternative tax credit *	1,729.93	(1,729.93)	-	-	-
Financial instruments measured at amortised cost	0.13	0.25	-	-	0.38
Employee benefits	4.09	16.06	0.73	-	20.88
Allowances for doubtful debts	9.25	62.19	-	-	71.44
Conversion of capital assets into stock in trade	894.29	589.52	-	-	1,483.81
Deferred tax assets on account of Ind AS-116 "Leases"	2.66	5.04	-	-	7.70
Property, plant and equipment and other intangible assets	(1.06)	(25.57)	-	-	(26.63)
Unabsorbed business losses and depreciation**	3,134.12	525.89	-	-	3,660.01
Liabilities					
Financial instruments measured at amortised cost	(1.44)	(1.54)	-	-	(2.98)
Straightlining of rental income	(15.02)	(4.52)	-	-	(19.54)
Investments carried at FVTPL	-	(10.32)	-	-	(10.32)
Investment in fair value instruments measured at FVOCI	(5,009.22)	-	5,009.22	-	-
Total	747.73	(572.93)	5,009.95	-	5,184.75

Particulars	1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Minimum alternative tax credit utilised	31 March 2021
Assets					
Minimum alternative tax credit *	1,504.41	225.52	-	-	1,729.93
Financial instruments measured at amortised cost	0.10	0.03	-	-	0.13
Employee benefits	5.68	3.46	(5.05)	-	4.09
Allowances for doubtful debts	9.25	-	-	-	9.25
Conversion of capital assets into stock in trade	894.29	-	-	-	894.29
Deferred tax assets on account of Ind AS-116 "Leases"	1.42	1.24	-	-	2.66
Property, plant and equipment and other intangible assets	19.26	(20.32)	-	-	(1.06)
Unabsorbed business losses and depreciation**	3,297.59	(163.47)	-	-	3,134.12
Liabilities					
Financial instruments measured at amortised cost	(0.72)	(0.72)	-	-	(1.44)
Straightlining of rental income	(17.08)	2.06	-	-	(15.02)
Investment in fair value instruments measured at FVOCI	(2,981.94)	-	(2,027.28)	-	(5,009.22)
Total	2,732.26	47.80	(2,032.33)	-	747.73

* Expiry date of minimum alternative tax credit

Expiry year	(₹ in lakhs)	
	31 March 2022	31 March 2021
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	-	773.83
1 April 2034 - 31 March 2035	-	513.13
1 April 2035 - 31 March 2036	-	78.62
1 April 2036 - 31 March 2037	-	160.04
Total	-	1,729.92

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Notes to the consolidated financial statements for the year ended 31 March 2022

Expiry date of unused tax losses and depreciation for which no deferred tax asset has been recognised: (₹ in lakhs)

Expiry year	31 March 2022	31 March 2021
Unused tax losses		
1 April 2022 - 31 March 2023	-	1,612.08
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	1,291.46
1 April 2027 - 31 March 2028	1,263.23	2,194.08
Unabsorbed depreciation for indefinite period	6,991.59	8,682.55
Total	14,542.32	18,776.21

Note - 8

Non - current tax assets (net)		
Advance income tax	868.88	837.74
Less: Provision for taxation	(224.44)	(423.66)
	644.44	414.08

Note - 9

B Other non-current assets (Unsecured, considered good)		
Prepaid expenses	25.78	3.28
	25.78	3.28
B Other current assets (Unsecured, considered good)		
Advances to suppliers	46.78	9.11
Prepaid expenses	36.05	46.80
Balance with government authorities		
-GST input	11.24	22.53
-TDS	0.10	0.10
-Sales tax paid under dispute	0.66	1.17
-UP Pollution Board for advance license fee	1.00	1.00
Others	0.95	0.52
	96.78	81.23

Note - 10

Inventories (Lower of cost or net realizable value)		
Raw materials and components	20.00	20.00
Stores and spares	38.93	39.52
Stock in Diesel	47.56	24.20
Real Estate		
Land	128.15	128.15
	234.64	211.87

Note - 11

Trade receivables (Unsecured)		
Considered good	186.40	283.29
Considered doubtful	188.94	55.42
	375.34	338.71
Less: Allowance for expected credit loss	(188.94)	(55.42)
	186.40	283.29

*for related party balances (refer Note - 34)

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

Aging for trade receivable as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - considered good	150.55	29.66	1.61	0.46	0.42	182.70
Undisputed trade receivable - considered doubtful	-	2.59	2.22	2.34	132.62	139.77
Disputed trade receivable - considered good	-	3.71	-	-	-	3.71
Disputed trade receivable - considered doubtful	-	-	-	-	49.17	49.17
Total	150.55	35.96	3.83	2.80	182.21	375.34

Aging for trade receivable as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - considered good	85.14	59.85	8.19	20.62	73.40	247.20
Undisputed trade receivable - considered doubtful	-	-	-	-	42.33	42.33
Disputed trade receivable - considered good	-	-	-	-	36.10	36.10
Disputed trade receivable - considered doubtful	-	-	-	-	13.08	13.08
Total	85.14	59.85	8.19	20.62	164.91	338.71

	31 March 2022	31 March 2021
Note - 12		
Cash and cash equivalents		
Cash on hand	8.80	7.95
Balances with banks		
In current accounts	18.07	6.75
In fixed deposits	236.79	612.41
	263.66	627.11

Note - 13		
Other bank balances		
Margin money *	65.63	63.54
In dividend current accounts (earmarked accounts)	10.99	-
	76.62	63.54

* Pledged as security for letters of credit/bank guarantees, for details refer Note - 37.

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity share capital				
i Authorised				
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
		4,000.00		4,000.00
ii Issued share capital				
Equity share capital of face value of ₹ 10 each	1,03,98,978	1,039.90	1,03,98,978	1,039.90
		1,039.90		1,039.90
iii Subscribed and fully paid up				
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)	-	-	-	-
		1,039.82		1,039.82

Majestic Auto Limited**Notes to the consolidated financial statements for the year ended 31 March 2022****iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

Equity shares	Number	Amount	Number	Amount
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	-	-	-	-
Balance at the end of the year	1,03,97,478	1,039.82	1,03,97,478	1,039.82

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.

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 Anadi 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.

viii Details of shareholding of promoters**Shares held by promoters at the end of 31 March 2022**

Promoter name	No. of shares	%	% change during the year
Anadi Investments Private Limited	77,57,687	74.61%	-
Renuka Munjal	40,421	0.39%	-
Total	77,98,108	75.00%	-

Shares held by promoters at the end of 31 March 2021

Promoter name	No. of shares	%	% change during the year
Anadi Investments Private Limited	77,57,687	74.61%	-
Renuka Munjal	40,421	0.39%	-
Total	77,98,108	75.00%	-

Note - 15**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.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 16		
A Borrowings		
Secured		
Term loans		
From bank	14,529.31	15,604.89
Vehicle loan	8.98	13.61
	14,538.29	15,618.50

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2022	31 March 2021
Secured					
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 6.95% to 8%.	-	375.00
HDFC Bank - Overdraft				76.75	42.89
Deutsche Bank				3,021.71	2,757.54
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	The rate of interest ranges from 7.70% to 7.75%	12,736.38	13,634.18
Housing loan					
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 7.60% to 8.70%.	613.57	696.71
Vehicle loan					
Canara Bank	Vehicle loan is secured by mortgage of vehicle of the Company	84 EMI of ₹ 0.47 lakhs each	The rate of interest ranges from 9.20% to 9.45%.	13.74	18.15
				16,462.15	17,524.47

(₹ in lakhs)

	31 March 2022	31 March 2021
B Borrowings - current		
Secured		
Overdraft facility:		
From banks	0.24	54.11
Current maturity of long-term borrowings	1,923.86	1,905.97
	1,924.10	1,960.08

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2022	31 March 2021
Secured ODFD facility from AU small finance bank	Lien on Fixed deposits of ₹ 175 lakh with bank	On demand	7.35%	0.24	26.80
HDFC Bank - Term Loan (Loan Moratorium)	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.	Repayable within one year.	The rate of interest ranges from 5.65% to 7.00%.	-	27.31
				0.24	54.11

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	Borrowings	Lease liabilities	Total
1 April 2020	19,250.52	722.34	19,972.86
Cash flows:			
- Repayment	(1,695.09)	(86.52)	(1,781.61)
- Proceeds	23.15	-	23.15
Non-cash:			
- Interest expense	-	69.48	69.48
31 March 2021	17,578.58	705.30	18,283.88
Cash flows:			
- Repayment	(1,116.19)	(110.62)	(1,226.81)
- Proceeds	-	-	-
Non-cash:			
- Acquisitions - lease liabilities	-	636.55	636.55
- Interest expense	-	81.76	81.76
31 March 2022	16,462.39	1,313.00	17,775.39

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 17		
A Lease liabilities non-current		
Lease liabilities	558.66	85.47
Long-term maturities of finance lease obligation	560.13	535.45
	1,118.79	620.92
B Lease liabilities- current		
Lease liabilities	146.35	55.52
Current maturities of finance lease obligations	28.86	28.86
	175.21	84.38

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 18		
A Other financial liabilities - non-current		
Security deposits	659.68	1,061.87
	659.68	1,061.87
B Other financial liabilities - current		
Security deposits	445.24	114.39
Salary payable	15.03	13.50
Interest accrued but not due	39.01	44.90
Payable to fund manager	-	61.24
Unclaimed dividend [^]	10.99	-
Other payables*	256.48	284.88
	766.75	518.91

[^]Does not include any amounts outstanding as at 31 March 2022 which are required to be credited to Investor Education and Protection Fund.

*Other payables represents provision for expenses at the end of the year.

Note - 19

Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of :		
Property, plant and equipment, investment property and other intangible assets	3,474.18	3,362.67
Financial instruments measured at amortised cost	14.15	12.40
Investments carried at FVTPL	-	11.90
Straightlining of rental income	7.04	13.25
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	(213.53)	(229.86)
Employee benefits	(0.98)	(7.08)
Financial instruments measured at amortised cost	-	(0.09)
Deferred tax assets on account of Ind AS-116 "Leases"	(0.33)	(1.02)
	3,280.53	3,162.17

(i) Movement in deferred tax liabilities (net)

(₹ in lakhs)

Particulars	31 March 2021	Recognised in statement of profit and loss	Minimum alternative tax credit utilised	31 March 2022
Liabilities				
Property, plant and equipment, investment property and other intangible assets	3,362.67	111.51	-	3,474.18
Financial liabilities measured at amortised cost	12.40	1.75	-	14.15
Investments carried at FVTPL	11.90	(11.90)	-	-
Straightlining of rental income	13.25	(6.21)	-	7.04
Assets				
Minimum alternative tax credit *	(229.86)	-	16.32	(213.53)
Employee benefits	(7.08)	6.10	-	(0.98)
Financial instruments measured at amortised cost	(0.09)	0.09	-	-
Deferred tax assets on account of Ind AS-116 "Leases"	(1.02)	0.69	-	(0.33)
Total	3,162.17	102.03	16.32	3,280.53

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

Particulars	1 April 2020	Recognised in statement of profit and loss	Minimum alternative tax credit utilised	31 March 2021
Liabilities				
Property, plant and equipment, investment property and other intangible assets	3,213.64	149.03	-	3,362.67
Financial liabilities measured at amortised cost	34.28	(21.88)	-	12.40
Investments carried at FVTPL	1.29	10.61	-	11.90
Straightlining of rental income	19.71	(6.46)	-	13.25
Assets				
Minimum alternative tax credit *	(259.92)	(0.50)	30.56	(229.86)
Employee benefits -	-	(7.08)	-	(7.08)
Financial instruments measured at amortised cost	-	(0.09)	-	(0.09)
Deferred tax assets on account of Ind AS-116 "Leases"	-	(1.02)	-	(1.02)
Total	3,009.00	122.61	30.56	3,162.17

* Expiry date of minimum alternative tax credit

Expiry year	31 March 2022	31 March 2021
1 April 2029 - 31 March 2030	178.48	181.47
1 April 2032 - 31 March 2033	-	6.95
1 April 2035 - 31 March 2036	35.05	40.94
1 April 2036 - 31 March 2037	-	0.50
Total	213.53	229.86

Note - 20

A Provisions - non-current		
Employees' post retirement/long-term benefits		
Gratuity	30.85	31.16
	30.85	31.16
B Provisions - current		
Employees' post retirement/long-term benefits		
Gratuity	7.44	7.00
Compensated absences	7.08	5.60
Provision for expenses	1.02	0.66
Provision for taxation	8.10	28.08
	23.64	41.34

Note - 21

A Other non - current liabilities		
Deferred income	237.52	354.87
	237.52	354.87
B Other current liabilities		
Statutory taxes payable	85.32	101.17
Advance received from customers	12.90	52.43
Deferred income	83.99	109.99
Others	18.44	18.00
	200.65	281.59

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 22		
Trade payables		
Due to micro and small enterprises*	-	-
Due to others	114.42	80.86
	114.42	80.86

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
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.

Aging for trade payables as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	38.84	17.68	12.13	1.57	70.22
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	44.20	44.20
Total	38.84	17.68	12.13	45.77	114.42

Aging for trade payables as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	22.97	12.08	0.04	1.57	36.66
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	44.20	44.20
Total	22.97	12.08	0.04	45.77	80.86

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 23		
Income from operations		
Sale of services		
Rental income	3,476.48	4,054.51
Real estate & management services	1,416.68	1,628.01
Other operating income:		
Others	-	1.11
	4,893.16	5,683.63
Note - 24		
Other income		
Interest income		
- Income Tax Refunds	4.93	33.40
- Others	7.74	56.70
- Bank deposits	149.41	133.06
- Financial assets carried at amortised cost	2.93	2.37
Dividend received	874.95	874.95
Liabilities written back	61.24	5.17
Provision written back	-	0.23
Balance written-off recovered	12.11	-
Dividend on investment classified as FVTPL	0.44	0.18
Gain on investment classified as FVTPL	182.02	182.59
Gain on disposal of property, plant and equipment (net)	-	3.50
Miscellaneous receipts	11.87	21.29
	1,307.64	1,313.44
Note - 25		
Employee benefits expense		
Salaries and incentives	478.13	411.46
Contributions to provident and other fund	39.46	39.83
Staff welfare expenses	3.16	2.39
	520.75	453.68
Note - 26		
Finance costs		
Interest on:		
- Term loan from banks	1,259.46	1,517.00
- Overdraft from banks	6.22	1.31
- Finance lease	53.54	51.30
- Financial instruments carried at amortised cost	87.85	103.56
- Lease liabilities	28.22	18.18
Bank commission and charges	1.94	0.65
	1,437.23	1,692.00
Note - 27		
Depreciation and amortisation expense		
Depreciation on:		
Property, plant and equipment	95.53	92.24
Investment property	609.21	683.71
Amortisation on:		
Intangible assets	70.93	72.36
Right-of-use assets	84.39	47.04
	860.06	895.35

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 28		
Other expenses		
Rent	0.08	0.28
House keeping and security	40.68	41.33
Business promotion	30.89	11.27
Repairs and maintenance		
- Buildings	58.51	273.56
- Plant and Machinery	10.75	7.95
- Others	3.82	2.69
Legal and professional	182.99	83.02
Printing and stationery	1.39	1.38
Auditor's remuneration		
- Statutory audit fee	4.75	4.75
Insurance	32.63	22.03
Commission and brokerage	9.57	-
Annual maintenance charge	32.12	32.75
Festival Expenses	1.81	0.51
Corporate social responsibility *	53.06	7.13
Travelling and conveyance	13.00	6.79
Water, electricity and fuel	22.54	17.47
Fine and penalties	1.00	2.30
Director's sitting fees	19.55	12.70
Balances written off	3.88	15.49
Rates and taxes	31.75	38.07
Listing and depository charges	3.91	4.33
Bad Debts written-off	9.78	-
Allowances for doubtful debts	219.39	-
Fees and subscriptions	3.84	4.59
Electrical and mechanical	0.06	1.01
Telephone and communication	7.49	7.80
Postage & Courier	0.20	0.12
Web hosting and data feeding	0.80	0.80
Software expenses	0.23	0.22
Donation	-	1.00
Prior period expenses	-	0.33
Miscellaneous expenses	0.27	0.21
	800.74	601.88

* **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 ₹ 40.28 lakhs (previous year ₹ 19.90 lakhs).

b) Amount spent during the financial year ended 31 March 2022 and 31 March 2021 on:

		(₹ in lakhs)		
Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2022	-	-	-
	31 March 2021	-	-	-
On purpose other than above	31 March 2022	58.26	-	58.26
	31 March 2021	7.13	-	7.13

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

*Corporate social responsibility (CSR) expenses	31 March 2022	31 March 2021
1. Amount required to be spent by the company during the year	40.28	19.90
2. Amount of expenditure incurred	58.26	7.13
3. Shortfall at the end of the year	3.38	1.66
4. Total of previous years shortfall	-	0.01
5. Reason for shortfall	-	See Note-A
6. Nature of CSR activities	Disaster Relief, Education, Skilling, Water, Sanitation and Hygiene	
7. details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

*CSR expenses of Rs. 12.77 Lakhs required to be spent/recognised in FY 2020-21 but were spent/recognised during the current year.

Note-A

During the year under review, the Company was required to spend money on CSR activities but due to some unavoidable circumstances like COVID-19 pandemic, company was not able to spend the entire required amount within the financial year 2020-21, thereafter, in compliance of second proviso to Section 135(5) of the Companies Act, 2013, the Company transferred the unspent amount in funds specified in Schedule VII till September 30, 2021.

(₹ in lakhs)

	31 March 2022	31 March 2021
Note - 29		
Income tax		
Tax expense comprises of:		
Current tax	256.81	482.30
Less : MAT Credit	-	-160.54
Deferred tax charge	688.44	300.83
MAT credit reversal on account of adoption of new tax rate	1,729.93	-
DTA on account of adoption of new tax rate	-1,743.41	-
Earlier years tax adjustments (net)	2.75	-78.65
Income tax expense reported in the statement of profit and loss	934.52	543.94

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 25.168% (31 March 2021: 27.82%) and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	1,990.29	2,724.80
At India's statutory income tax rate of 25.168%(31 March 2021: 27.82%)	500.92	758.04
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	14.24	2.07
Earlier years tax adjustments (net)	(2.75)	(78.65)
Effect of changes in tax rate	13.48	(106.69)
Tax on income at different rates	32.67	-
Utilisation of previously unrecognised tax losses	-	(48.23)
Others	375.96	17.40
Income tax expense	934.52	543.94

Note - 30

Earnings per share		
Net profit attributable to equity shareholders		
Profit/(Loss) for the quarter (A)	1,055.77	2,180.86
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))	10.15	20.97
Diluted EPS (₹ (A/C))	10.15	20.97

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

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

(₹ in lakhs)

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVOCI*	Amortised cost	FVTPL	FVOCI*	Amortised cost
Financial assets						
Investments						
Equity instruments	328.38	20,671.20	-	151.62	26,848.53	-
Mutual Fund	142.29	-	-	172.56	-	-
Derivatives	3.21	-	-	7.62	-	-
Trade receivables	-	-	186.40	-	-	283.29
Cash and cash equivalents	-	-	263.66	-	-	627.11
Other bank balances	-	-	76.62	-	-	63.54
Other financial assets	-	-	3,106.60	-	-	2,403.92
Security deposits	-	-	316.47	-	-	310.20
Total financial assets	473.88	20,671.20	3,949.75	331.80	26,848.53	3,688.06
Financial liabilities						
Borrowings	-	-	16,462.39	-	-	17,578.58
Lease liabilities	-	-	1,294.00	-	-	705.30
Trade payables	-	-	114.42	-	-	80.86
Other financial liabilities	-	-	1,426.43	-	-	1,580.78
Total financial liabilities	-	-	19,297.24	-	-	19,945.52

* 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 2022 and 31 March 2021:

(₹ in lakhs)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income (quoted)					
Equity investments	31 March 2022	20,671.20	-	-	20,671.20
	31 March 2021	26,848.53	-	-	26,848.53
Investments carried at fair value through profit or loss (quoted)					
Equity investments	31 March 2022	0.10	-	-	0.10
	31 March 2021	0.11	-	-	0.11
Investments held for sale (fair value through profit or loss)					
Mutual Fund	31 March 2022	142.29	-	-	142.29
	31 March 2021	172.56	-	-	172.56
Equity investments	31 March 2022	328.28	-	-	328.28
	31 March 2021	151.51	-	-	151.51
Derivatives	31 March 2022	3.21	-	-	3.21
	31 March 2021	7.62	-	-	7.62

Majestic Auto Limited**Notes to the consolidated financial statements for the year ended 31 March 2022****(iv) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - For listed equity shares, traded price on recognised stock exchange.

(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 2022		31 March 2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposits	Level 3	316.47	316.67	310.20	309.76
Other financial assets	Level 3	3,106.60	3,106.60	2,403.92	2,403.92
Total financial assets		3,423.07	3,423.27	2,714.12	2,713.68
Financial liabilities					
Borrowings	Level 3	15,873.40	15,873.40	17,014.27	28,732.41
Finance lease obligations	Level 3	588.99	547.82	564.31	524.62
Lease liabilities	Level 3	705.01	718.07	140.99	143.83
Other financial liabilities	Level 3	1,426.43	1,419.94	1,580.78	1,568.26
Total financial liabilities		18,593.83	18,559.22	19,300.35	30,969.12

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 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.
- 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 2022 was assessed to be insignificant.

Note - 32**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.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(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 lossfully 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 2022	31 March 2021
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	3,763.35	3,404.77
B: Medium	Trade receivables	375.34	338.71

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.

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Auto components	61.38	62.53
Consumer electronics	42.33	42.33
IT Industry	139.53	52.02
Telecom industry	1.09	18.62
Others	131.01	163.21
Total	375.34	338.71

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—

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Notes to the consolidated financial statements for the year ended 31 March 2022

As at 31 March 2022 (₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	263.66	-	263.66
Trade receivables	375.34	(188.94)	186.40
Other bank balances	76.62	-	76.62
Other financial assets	3,508.93	(85.86)	3,423.07

As at 31 March 2021 (₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	627.11	-	627.11
Trade receivables	338.71	(55.42)	283.29
Other bank balances	63.54	-	63.54
Other financial assets	2,714.12	-	2,714.12

(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 2022	31 March 2021
Gross amount of trade receivables	375.34	338.71
Expected loss rate	50.34%	16.36%
Expected credit loss (loss allowance provision)	188.94	55.42

Reconciliation of loss provision – lifetime expected credit losses (₹ in lakhs)

Reconciliation of loss allowance	Trade receivables
Loss allowance as on 1 April 2020	55.42
Impairment loss recognised/reversed during the year	-
Amounts written off	-
Loss allowance on 31 March 2021	55.42
Impairment loss recognised/reversed during the year	133.52
Amounts written off	-
Loss allowance on 31 March 2022	188.94

(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.

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

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Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

31 March 2022	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	2,923.92	2,879.64	9,694.91	3,359.79	18,858.26
Obligations under finance lease	28.86	28.86	115.44	13,840.62	14,013.78
Trade payable	114.42	-	-	-	114.42
Security deposits	474.89	104.05	40.69	869.53	1,489.16
Lease liabilities	146.36	129.25	371.64	422.22	1,069.46
Other financial liabilities	145.88	-	-	-	145.88
Total	3,834.33	3,141.80	10,222.68	18,492.16	35,690.97

(₹ in lakhs)

31 March 2021	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	3,071.97	2,686.02	8,169.21	7,680.33	21,607.54
Obligations under finance lease	28.86	28.86	101.01	13,883.91	14,042.64
Trade payable	87.56	-	-	-	87.56
Security deposits	67.67	500.34	166.48	959.80	1,694.29
Lease liabilities	60.43	23.18	76.80	22.77	183.18
Other financial liabilities	219.88	-	-	-	219.88
Total	3,536.37	3,238.41	8,513.50	22,546.81	37,835.10

The Group had access to following funding facilities :
As at 31 March 2022

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	3,897.47	2,743.25	1,154.22
1-2 years	1,992.45	1,992.45	-
Above 2 years	12,311.50	12,099.38	212.12
Total	18,201.42	16,835.08	1,366.34

As at 31 March 2021

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	2,090.78	1,960.08	130.70
1-2 years	1,687.58	1,687.58	-
Above 2 years	16,241.97	13,930.92	2,311.04
Total	20,020.33	17,578.58	2,441.74

(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 2022	31 March 2021
Variable rate borrowing	16,462.39	17,578.58
Fixed rate borrowing	-	-
Total borrowings	16,462.39	17,578.58

Majestic Auto Limited**Notes to the consolidated financial statements for the year ended 31 March 2022****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 2022	31 March 2021
Interest rates – increase by 25 basis points	(41.16)	(43.95)
Interest rates – decrease by 25 basis points	41.16	43.95

b. Assets

The Group interest bearing security deposits and loans are carried at fixed rate. 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.

(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 2022	31 March 2021
Price sensitivity		
Price increase by (5%) - FVOCI	1,033.56	1,342.43
Price decrease by (5%) - FVOCI	(1,033.56)	(1,342.43)
Price increase by (5%) - FVTPL	23.69	16.59
Price decrease by (5%) - FVTPL	(23.69)	(16.59)

Note - 33**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.

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Net debts*	17,455.12	17,638.13
Total equity	42,569.05	42,962.56
Net debt to equity ratio	0.41	0.41

*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

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(b) Key Management Personnel (KMP) and their Relatives:

- Mr. Mahesh Munjal (Managing Director)
- Ms. Ashima Munjal (Director)
- Mr. Aayush Munjal (Director)
- Mr. Anil Kumar Sharma (Independent Director)
- Mr. Pradip Kumar Mittal (Independent Director) w.e.f 12th October 2021
- Mr. Rajesh Kumar Yaduvanshi (Independent Director) w.e.f 12th October 2021
- Mr. Vikas Nanda (Independent Director) resign w.e.f 02nd September 2021
- Mr. Naveen Jain (Independent Director) resign w.e.f 02nd September 2021
- Mr. Sham Lal Mohan (Independent Director) resign w.e.f 02nd September 2021
- Mr. Rajpal Singh Negi (Chief Financial Officer)
- Ms. Juhi Garg (Company Secretary) till 03rd August 2021
- Mr. Dinesh Pandey (Company Secretary) from 01st February 2022 to 02nd February 2022
- Mrs. Renuka Munjal (spouse of Managing Director)

(c) Enterprises over which Key Management Personnel is able to exercise significant influence with whom transactions has been undertaken:-

- M/s OK Hosiery Mills Private Limited

ii) Transactions with related parties carried out in the ordinary course of business:

S.No	Particulars	Year	Related Parties			Total
			Holding Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Dividend paid	31 March 2022	581.83	3.03	-	584.86
		31 March 2021	-	-	-	-
2	Electricity expenses	31 March 2022	-	-	8.99	8.99
		31 March 2021	-	-	6.65	6.65
3	Maintenance and management expenses	31 March 2022	-	-	9.36	9.36
		31 March 2021	-	-	4.67	4.67
4	Remuneration paid*	31 March 2022	-	369.21	-	369.21
		31 March 2021	-	274.35	-	274.35
5	Rent paid	31 March 2022	-	-	83.34	83.34
		31 March 2021	-	-	57.85	57.85
6	Sitting Fees	31 March 2022	-	19.55	-	19.55
		31 March 2021	-	12.70	-	12.70
7	Security deposit given	31 March 2022	-	-	24.94	24.94
		31 March 2021	-	-	-	-

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

iii) Closing balance with related parties in the ordinary course of business :

(₹ in lakhs)

S.No	Particulars	Year	Related Parties			Total
			Holding Company	Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Security deposit	31 March 2022	-	-	54.26	54.26
		31 March 2021	-	-	29.32	29.32
2	Trade Payable	31 March 2022	-	-	0.47	0.47
		31 March 2021	-	-	0.03	0.03
3	Remuneration payable	31 March 2022	-	19.14	-	19.14
		31 March 2021	-	10.52	-	10.52

* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and incentives	369.21	274.35
Leave encashment	-	-
Gratuity	-	-
	369.21	274.35

Note - 35

Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
(b) Guarantees excluding financial guarantees;		
Bank Guarantees	44.20	44.20
Total	44.20	44.20

Excise duty/sales tax paid under protest amounting to ₹ Nil (previous years 31 March 2021: ₹ Nil lakhs) is appearing under the head balance with government authorities.

(a) The Group does not expect any reimbursement in respect of the above contingent liabilities.

Note - 36

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.

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Notes to the consolidated financial statements for the year ended 31 March 2022

i) Amounts recognized in the balance sheet		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Present value of the obligation	43.01	42.58	
Fair value of plan assets	4.72	4.41	
Net obligation recognised in balance sheet as provision	38.29	38.16	
Current liability (amount due within one year)	7.44	7.00	
Non-current liability (amount due over one year)	30.85	31.16	
ii) Expenses recognized in other comprehensive income		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Actuarial gain/(loss) on asset	0.01	-	
Actuarial gain/(loss) on present benefit obligation	(2.96)	22.76	
Unrecognised actuarial gain at the end of the year	(2.95)	22.76	
iii) Actuarial (gain)/loss on obligation		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Actuarial (gain)/loss net on account of:			
- Changes in demographic assumptions	-	-	
- Changes in financial assumptions	(1.55)	-	
- Changes in experience adjustment	4.51	(22.76)	
iv) Expenses recognised in statement of profit and loss		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Current service cost	6.24	4.28	
Interest cost	2.60	3.66	
Cost recognised during the year	8.84	7.95	
v) Movement in the liability recognised in the balance sheet is as under:		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Present value of defined benefit obligation at the beginning of the year	38.16	53.78	
Current service cost	6.24	4.28	
Interest cost	2.60	3.66	
Actuarial gain on obligation	2.95	(22.76)	
Benefits paid	(11.66)	(0.81)	
Present value of defined benefit obligation at the end of the year	38.29	38.16	
vi) Change in plan assets is as under:		(₹ in lakhs)	
Particulars	31 March 2022	31 March 2021	
Fair value of plan assets at the beginning of the period	4.41	4.13	
Actual return on plan assets	0.31	0.28	
Employer contribution	-	-	
Benefits paid	-	-	
Fair value of plan assets at the end of the period	4.72	4.41	
vii) Major categories of plan assets (as percentage of total plan assets)			
Particulars	31 March 2022	31 March 2021	
Funds managed by insurer	100%	100%	
Total	100%	100%	

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.22%	6.80%
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 (2012-14) (31 March 2021: IALM (20012-14))

viii) (b) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
0 to 1 year	7.45	7.00
1 to 2 year	4.70	0.67
2 to 3 year	2.00	4.30
3 to 4 year	0.77	1.62
4 to 5 year	0.55	0.60
5 to 6 year	2.72	0.49
6 year onwards	24.83	27.89

ix) Sensitivity analysis for gratuity liability

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	43.01	42.58
Impact due to increase of 0.50 %	(1.93)	(2.08)
Impact due to decrease of 0.50 %	2.10	2.28
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	43.01	42.58
Impact due to increase of 0.50 %	1.61	1.35
Impact due to decrease of 0.50 %	(1.49)	(1.25)

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 - 37

Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Non-current		
Second charge		
Investment in equity instruments valued through OCI	18,282.53	26,848.53
Total non-current assets pledged as security	18,282.53	26,848.53
Current		
First charge		
Margin money	65.63	63.54
Total current assets pledged as security	65.63	63.54
Total assets pledged as security	18,348.16	26,912.07

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Notes to the consolidated financial statements for the year ended 31 March 2022

Note - 38

Dividend

Dividends paid during the year ended March 31, 2022 include an amount of ₹ 7.50 per equity share towards final dividend for the year ended March 31, 2021

Note - 39

Disclosures as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"

Based on guiding principles given in Ind AS-108 on "Operating segments", the Company's business activity fall within a single operating segment namely real estate and management services. Accordingly, the disclosure requirements of Ind AS-108 are not applicable.

Information about major customer

During the year ended 31 March 2021 revenue of approximately 82.98% (previous year 31 March 2021: 78.35%) are derived from two external customer under 'Real Estate & Management Service'.

Note - 40

Interest in other entities

Subsidiaries

The Group's subsidiaries at 31 March 2022 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 2022	31 March 2021	
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 2022	31 March 2021	31 March 2022	31 March 2021
Emirates Technologies Private Limited	20%	20%	150.59	188.14

Summarised financial information for Emirates Technologies Private Limited is set out below:

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Non-current assets	23,359.27	23,626.59
Current assets	1,263.94	1,161.95
Total assets	24,623.21	24,788.54
Non-current liabilities	17,151.55	18,510.22
Current liabilities	2,339.96	1,899.56
Total liabilities	19,491.51	20,409.78
Equity attributable to the owners of the parent Company	4,105.36	3,503.01
Non-controlling interests	1,026.34	875.75

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Notes to the consolidated financial statements for the year ended 31 March 2022

(₹ in lakhs)

Particulars	31 March 2022	31 March 2021
Revenue	752.94	940.68
Profit for the year attributable to the owners of the Parent	602.35	752.54
Profit for the year attributable to non-controlling interest	150.59	188.14
Profit for the year	752.94	940.68
Other comprehensive income	-	-
Total comprehensive income attributable to the owners of the Parent	602.35	752.54
Total comprehensive income attributable to non-controlling interest	150.59	188.14
Total comprehensive income	752.94	940.68

Note - 41

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
Parent								
Majestic Auto Limited	79.74%	33,944.14	39.29%	414.76	99.97%	(669.82)	-66.03%	(255.06)
Indian subsidiaries								
Majestic IT Services Limited	4.59%	1,955.52	-25.53%	(269.54)	0.03%	0.35	-69.68%	(269.19)
Emirates Technologies Private Limited	13.26%	5,643.05	71.98%	759.96	0.00%	-	196.73%	759.96
Non-controlling interest in subsidiary								
	2.41%	1,026.34	14.26%	150.59	0.00%	-	38.98%	150.59
Total	100.00%	42,569.05	100.00%	1,055.77	100.00%	(669.47)	100.00%	386.30

For SAR & Associates

Chartered Accountants
Firm Registration No. 122400W

For and on behalf of Majestic Auto Limited

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
Place: Delhi

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer
Place: Noida

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990
Place: Delhi

Sd/-
(Parul Chadha)
Company Secretary
M. No. A50171
Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
Director
DIN-07206654
Place: Delhi

Date : 25 May 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 read with Companies (Accounts) Amendment Rules, 2016)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts)

(₹ In Lakhs)

S. No.	Particulars	Details	Details
1	Sl. No.	1	2
2	Name of the subsidiary	Majestic IT Services Limited	Emirates Technologies Private Limited
3	The date since when subsidiary was acquired	12/12/2009	23/09/2015
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2021-22	2021-22
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
6	Share capital	1,697.65	2,000.00
7	Reserves and surplus	257.87	3,131.70
8	Total assets	2,307.52	24,623.21
9	Total Liabilities	352.00	19,491.51
10	Investments	473.78	Nil
11	Turnover	420.00	3,124.69
12	Profit before taxation	169.78	1,062.17
13	Provision for taxation	61.32	195.49
14	Profit after taxation	150.46	752.94
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (in percentage)	100%	80%

Note:

1. Name of subsidiaries which are yet to commence operations-
2. Name of subsidiaries which have been liquidated or sold during the year-

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Not Applicable	Not Applicable
1. Latest audited Balance Sheet Date	———— NA ————	
2. Date on which the Associate or Joint Venture was associated or acquired		
3. Shares of Associate or Joint Ventures held by the company on the year end		
No.		
Amount of Investment in Associates/Joint Venture		
Extend of Holding %		
4. Description of how there is significant influence		
5. Reason why the associate/joint venture is not consolidated		
6. Net worth attributable to shareholding as per latest audited Balance Sheet		
7. Profit or Loss for the year		
i. Considered in Consolidation		
ii. Not Considered in Consolidation		

Note:

- Name of associates/joint ventures which are yet to commence operations-
- Name of associates/joint ventures which have been liquidated or sold during the year-

For and on behalf of Majestic Auto Limited

Sd/-
(Rajpal Singh Negi)
 Chief Financial Officer
 Place: Noida

Sd/-
(Mahesh Munjal)
 Managing Director
 DIN 00002990
 Place: Delhi

Sd/-
(Parul Chadha)
 Company Secretary
 M. No. A50171
 Place: Delhi

Sd/-
(Dr. Rajesh Kumar Yaduvanshi)
 Director
 DIN-07206654
 Place: Delhi

Date : 25 May 2022



MAJESTIC AUTO LIMITED

CORPORATE OFFICE:

A-110, Sector-4, Noida-201301

Phone No.: 0120-4348907

Email Id: grievance@majesticauto.in