



MAJESTIC
AUTO LIMITED

39th

Annual Report

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BOARD OF DIRECTORS

Mahesh Munjal
G. P. Sood
Dr. M.A. Zahir
Harjeet Singh Arora
Major Shavinder Singh Khosla
Ashima Munjal

Chairman & Managing Director
Non Executive & Independent Director
Non Executive & Independent Director
Non Executive & Independent Director
Non Executive & Independent Director
Non Executive Director

GM (FINANCE)

CUM - COMPANY SECRETARY

Ajay Garg

STATUTORY AUDITORS

M/s. B. D. Bansal & Co.
Chartered Accountants,
Amritsar.

BANKERS

Canara Bank
Punjab National Bank
IDBI Bank Ltd.
Axis Bank Ltd.
The Catholic Syrian Bank Ltd.
Yes Bank Ltd.
Standard Chartered Bank
HDFC Bank

REGISTERED OFFICE

C-48, Focal Point,
Ludhiana - 141 010

WORKS

C-48, Focal Point,
Ludhiana - 141 010
C-59, Focal Point,
Ludhiana - 141 010
B-6, B-7 & B-9, Ecotech-1 Extn.,
Greater Noida.

REGISTRAR & TRANSFER AGENT

Alankit Assignments Ltd.
Alankit House, 2E/21, Anar Kali Market,
Jhandewalan Extension, New Delhi-110055
Phones (011) 23541234, 42541234
Fax : (011) 23552001, E-mail : rta@alankit.com

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39th ANNUAL GENERAL MEETING

Day	:	Friday
Date	:	28 th September, 2012
Time	:	11.00 A.M.
Place	:	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010

MAJESTIC AUTO LIMITED

NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of Majestic Auto Limited will be held on Friday, the 28th September, 2012 at 11.00 a.m. at the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Ms. Aashima Munjal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a director in place of Sh. G.P. Sood, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded to the re-appointment of Sh. Mahesh Munjal as Managing Director of the Company for a period of 3 years w.e.f. 29.10.2012 on the terms and conditions including remuneration as set out in draft agreement to be entered with him, as placed before the meeting, extract of which is set out in Explanatory Statement attached to the Notice convening this meeting, which agreement is hereby sanctioned and approved with liberty to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment and / or agreement including remuneration payable to the Managing Director in such manner as may be agreed to between the Board of Directors and Sh. Mahesh Munjal provided that alteration / variation shall be within the limits specified in Schedule XIII to the Act, including any modification, amendment or re-enactment thereof".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the term of the Managing Director, the remuneration by way of salary and perquisites as specified in said draft agreement is payable to the Managing Director."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to any amendment to the said agreement and are empowered to make such improvements in the terms of remuneration of Sh. Mahesh Munjal, from time to time, as may at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Act including any amendment thereto or any re-enactment thereof, the intention being that no further approvals of the members of the Company will be required, so long as the remuneration of the Managing Director to be fixed by the Board of Directors, from time to time, during his term, is not in excess of maximum permissible limits under the relevant laws, rules, regulations, guidelines or notifications as may be promulgated or issued after the date of this meeting."

By Order of the Board of Directors
For Majestic Auto Limited

Place : Ludhiana

Date : 13.08.2012

Regd. Office : Majestic Auto Limited, C-48, Focal Point, Ludhiana.

(Ajay Garg)
Company Secretary

MAJESTIC AUTO LIMITED

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. The Register of Members and the Shares Transfer Books of the Company will remain closed from Saturday, 22.09.2012 to Friday, 28.09.2012 (both days inclusive).
3. The relevant details of Item Nos. 2, 3 & 5 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours upto the date of the Annual General Meeting.
5. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.
6. Members / Proxies should bring the Attendance slip sent herewith duly filled in for attending the Annual General Meeting.
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the Investors Education and Protection Fund, constituted by the Central Government and the shareholders would not be able to claim any amount of dividend so transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company for the financial period 2004-2005.
8. Pursuant to the provisions of Section 109A of the Companies Act, 1956, every shareholder or joint holders 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. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
9. Members are requested to notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
10. The Company has designated an exclusive e-mail ID namely: grievance@heromajestic.com for receiving and addressing investors' grievances.
11. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 dated April 21, 2011, has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode, in pursuance to Section 53 of the Companies Act, 1956.

In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered E-mail ID. The Company proposes to send all shareholder communications, henceforth to shareholders in electronic form to the E-mail ID provided by them and made available to us by the Depositories. However, if you hold the shares in physical form then you may register your E-mail ID with the Registrar & Transfer Agent of the Company by sending a letter under your Registered signature at the below mentioned address:-

M/s Alankit Assignment Limited

Corporate Office, Alankit House, 2E/21, Anarkali Market, Jhandewalan Extension, New Delhi-110 055.

Phones (011) 23541234, 42541234, Fax (011) 23552001, e-mail : rta@alankit.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956, IN REGARD TO SPECIAL BUSINESS ITEM NO.5:

The Board of Directors of the Company in its meeting held on 13.08.2012, has re-appointed Sh. Mahesh Munjal as Managing Director of the Company subject to the approval of shareholders for a period of 3 years w.e.f. 29.10.2012 to 28.10.2015 at the remuneration in accordance with the norms laid down in Schedule XIII and all other applicable

MAJESTIC AUTO LIMITED

provisions of the Companies Act, 1956 as reproduced herein below:-

1. Basic Salary :

Salary @ Rs.350,000/- per month in the scale of 350,000 - 25,000 - 425,000/- per month .

2. Bonus :

As per Company Rules.

3. Commission :

Commission shall be decided by the Board of Directors based on net profit of the Company each year and the same shall not exceed 1% of net profits of the Company subject to the condition that the aggregate remuneration to the Managing Director, shall not exceed the limits laid down under Section 198, 309 and Schedule XIII to the Companies Act, 1956.

4. Perquisites and allowances :

In addition to the above Basic Salary, Bonus and Commission, he shall be entitled to the following perquisites and allowances:-

i) **Residential Accommodation :** The appointee shall be provided rent free furnished residential accommodation with free use of all the facilities and amenities provided by the Company or house rent allowance equal to 60% of the basic salary. The said facility shall, however, be subject to the policy framed by the company in this respect. The expenditure incurred by the company on the gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

ii) **Medical Reimbursement :** Reimbursement of actual Medical Expenses incurred by the appointee and his family;

iii) **Club Fees :** Actual fees of clubs subject to maximum of two clubs will be reimbursed;

iv) **Personal Accident Insurance:** Actual premium to be paid by the Company;

v) **Insurance of House-hold goods :** Actual premium to be paid by the Company;

vi) **Car :** Facility of Car with driver to be used for the business of the Company;

vii) **Telephone :** Free telephone facility including Mobile Phone at residence to be used for the business of the Company; Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred for the business of the Company;

ix) **Life Insurance:** Actual premium on the lives of the appointee, his wife and children to be paid by the Company;

x) **Contribution to Provident Fund, Superannuation fund or Annuity Fund :**

Company's contribution to Provident, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

xi) **Gratuity:** Not exceeding half month's salary for each completed year of service.

xii) Encashment of leave at the end of the tenure.

5. Leave Travel Concession:

For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.

6. Minimum Remuneration:

If in any financial year during the tenure of the appointee, the Company has no profits or its profits are inadequate, the appointee shall be entitled to remuneration by way of salary, perquisites, allowances, specified above as minimum remuneration subject to the ceilings as prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

For the purpose of computation of minimum remuneration, the following shall not be included:-

i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.

ii) Gratuity at the rate not exceeding half a month's salary for each completed year of service, and

iii) Encashment of leave at the end of his tenure.

MAJESTIC AUTO LIMITED

7. Sitting Fees :

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof.

The document referred to in the proposed resolution is available for inspection at the Registered Office of the Company during working hours between 9.30 a.m. to 6.00 p.m. except on holidays.

The aforesaid terms and conditions may be treated as an abstract of the terms of the contract and memorandum of the nature of the concern or interest of Directors pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors of your Company recommends passing of the Special Resolution as contained under Item No.5 above.

Memorandum of Interest:

None of the Directors except Ms. Aashima Munjal the Director of the Company being the relative of the appointee and the appointee himself are concerned or interested in passing of this resolution.

STATEMENT CONTAINING THE INFORMATION REQUIRED TO BE GIVEN TO THE SHAREHOLDERS OF THE COMPANY PURSUANT TO CLAUSE (B) OF PARAGRAPH 1 OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956:

I. General Information :

1) Nature of Industry	:	The Company is engaged in the manufacturing of Mufflers, Fine Blanking Components, Electricals, Spokes, and Two Wheelers Spare Parts.	
2) Date of commencement of commercial production	:	21.05.1973	
3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.	
4) Financial performance based on given indicators		2011-2012	2010-2011
		(Rs. In Crores)	(Rs. In Crores)
Sales(Net)		Rs. 164.67	Rs.148.07
Net Profit		Rs. 19.15	Rs. 7.09
5) Export performance and net foreign exchange collaborations		2011-2012	2010-2011
a) Export		Rs. 11.23 Lacs	Rs. 14.60 Lacs
b) Collaboration		None	None
6) Foreign investments or collaborators, if any	:	None	None

II. Information about the appointee :

1) Background details	:	Sh. Mahesh Munjal was appointed as a Director of the Company w.e.f. 29.6.1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and redesignated as Managing Director of the Company w.e.f. 29.7.1999. 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 M.B.A. He is a member of various trade and management bodies.
2) Past remuneration	:	Rs. 5,554,032/- (Accounting Year 2011-2012)
3) Recognition or awards	:	None

MAJESTIC AUTO LIMITED

4) Job profile and his suitability

Job Profile :

Sh. Mahesh Munjal is having rich experience of 33 years of running Auto Parts Industries as below and shall be responsible for the overall affairs of the Company:

- a) He has worked as Assistant Works Director, Chief Executive (Works) during the period from 1979 to 1986 in Hero Cycles Limited, Ludhiana.
- b) He has worked as Executive Director in Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited during the period from 1986 to 1993.
- c) He is working as Executive Director/ Managing Director of the Company since 1993.

Suitability :

Your Board considers that the re-appointment of Sh. Mahesh Munjal having such wide experience will be in the best interests of the Company and therefore, Recommends passing of the Special Resolution as stated above.

- | | | |
|---|---|---|
| 5) Remuneration proposed | : | As per Resolution. |
| 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | : | Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Sh. Mahesh Munjal the proposed remuneration is competitive with remuneration paid by other Companies to such similar positions. |
| 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | : | Except remuneration as mentioned above, he has no other pecuniary relationship directly or indirectly with the Company. He is father of Ms. Ashima Munjal, the Director of the Company. |

III. Other Information :

- | | | |
|---|---|---|
| 1) Reasons of loss or inadequate profits | : | Not Applicable |
| 2) Steps taken or proposed to be taken for improvement. | : | The Company is actively exploring new business opportunities in terms of product diversification. |
| 3) Expected increase in productivity and profits in measurable terms. | : | It is expected that the productivity and profitability will improve in the year 2012- 2013 in comparison to the year 2011-2012. |

RELEVANT INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING DIRECTORS BEING APPOINTED/ REAPPOINTED:

Ms. Ashima Munjal

Ms. Ashima Munjal joined the company on August 14, 2010 as a director of the Company. She is also the Managing Director of Majestic IT Services Limited, a wholly owned subsidiary of the Company. Ms. Ashima Munjal is 31 Years old and has a Masters of Science in Engineering Degree and Bachelors in Computer Science from the Johns Hopkins University USA. Previously, She has worked with the Centre for Networking and Distributed Systems at Johns Hopkins University, Unisys Corporation and the Veteran Health Administration in the United States of America. She is also having good experience of the business process outsourcing industry. At present she is on the Board of following Companies and

MAJESTIC AUTO LIMITED

Committees there of:

Majestic Auto Limited

Director

Member - Share Holder/Investors' Grievance Committee

Member - Audit Committee

Majestic IT Services Limited

Managing Director

Amtier Infotech Limited

Director

Ms. Ashima Munjal does not hold any share (in her own name or on behalf of other person on a beneficial basis) in the Company.

Ms. Ashima Munjal is daughter of Mr. Mahesh Munjal the Managing Director of the Company.

Mr. G. P. Sood

Mr. G P Sood joined the Company on 28th May, 1994 as a director of the Company. He was born on September 2, 1925. He is M.A., LL.B., CAIIB. He possesses specialization in the field of banking, finance & laws. He is Ex-Deputy General Manager of Bank of India. He is regular in making valuable contributions in Board Meetings. At present he is on the Board of following Companies and Committees there of :

Hero Motors Limited

Director

Chairman - Remuneration and Compensation Committee

Member - Audit Committee

Chairman - Shareholders Grievance Committee

Member - Investment Committee

Majestic Auto Limited

Director

Chairman - Audit Committee

Chairman - Remuneration Committee

Mr. G. P. Sood does not hold any share (in his own name or on behalf of other person on a beneficial basis) in the Company.

Mr. G. P. Sood does not have any relationship with any Director of the Company.

Mr. Mahesh Munjal

Mr. Mahesh Munjal joined the Company on 29th June, 1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and re-designated as Managing Director of the Company w.e.f. 29.07.1999. He carries with him enriched experience of 33 years of running Auto Parts Industries. He is a graduate Engineer and M.B.A. Before joining as a Director of the Company, Mr. Mahesh Chander Munjal was Executive Director of Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited. At present he is holding the membership of the Board/Committee(s) of the following Companies :

Majestic Auto Limited

Managing Director

Member- Shareholder /

Investors' Grievance Committee

M & M Auto Industries Limited

Director

Aayush Finance & Investment Pvt. Ltd.

Director

De Core Science & Technologies Ltd.

Director

Majestic IT Services Limited

Director

Member - Remuneration Committee

Amtier Infotech Limited

Director

Anadi Investments Pvt. Ltd.

Director

Mr. Mahesh Munjal hold 40,421 equity shares (in his own name or on behalf of other person on a beneficial basis) in the Company.

Mr. Mahesh Munjal is the father of Ms. Aashima Munjal, the Director of the Company.

MAJESTIC AUTO LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting to you the Thirty Ninth Annual Report and the Audited Accounts for the Financial Year ended 31st March, 2012.

FINANCIAL RESULTS:

(Rs. in Lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
Operational Income (Gross)	18664	<u>16532</u>
Profit before Depreciation and Financial cost	4312	2456
Less : Financial Cost	1376	718
Depreciation	1270	<u>926</u>
Net Profit Before Tax	1666	812
Less : Provision for Taxation		
- Deferred Tax	(225)	97
: Provision for Wealth Tax	7	7
: Prior Years Tax Adjustments	(31)	<u>(1)</u>
Profit After Tax	1915	709
Add : Balance Brought Forward	4365	<u>3656</u>
Profit Available for Appropriations	6280	4365
APPROPRIATIONS		
Balance carried to Balance Sheet	6280	4365
Basic and Diluted Earnings Per Share (Rs.)	18.42	6.82

OPERATIONS

During the year under report, your Company has registered turnover of Rs. 18664 lacs as compared to Rs. 16532 lacs in the previous financial year. The Company earned a net profit before tax of Rs. 1666 lacs as compared to a net profit before tax of Rs. 812 lacs in the previous financial year. During the year the company has enhanced its existing capacity in the electrical & other segments and during the year the total capital outlay was Rs. 1926 lacs. The Funds requirements are being met by way of term loans and internal accruals. Due to the substantial capital outlay financial expenses have increased from Rs. 718 lacs in the previous year to Rs. 1376 lacs in the current year and depreciation has also increased from Rs. 926 lacs to Rs. 1270 lacs. The company is hopeful of receiving rich dividends from the present capital outlay in the forthcoming years.

DIVIDEND

To sustain internal accruals for the future growth of the Company, your directors are not recommending any dividend for the Accounting Year.

MATERIAL CHANGES AND COMMITMENTS

The company has commenced shifting of its electrical segment operations to Greater Noida from its existing location at Ludhiana (Punjab). There were no other material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year of the Company and the date of signing of this report.

DIRECTORS

Ms. Ashima Munjal and Sh. G.P. Sood, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 :

- That in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed;
- That appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2012 and of the net profit earned by the Company for financial year ended March 31, 2012 ;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts for the year ended March 31, 2012 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report in the form of Management Discussion and Analysis pursuant to Clause 49 of the Listing Agreement, as a part of this report is annexed hereto as Annexure I.

MAJESTIC AUTO LIMITED

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with The Stock Exchange, adequate steps have been taken to ensure that all the provisions relating to Corporate Governance are duly complied with. A report on Corporate Governance alongwith the Auditors' Certificate on its compliance as a part of this report is annexed hereto as Annexure II.

HOLDING COMPANY

Consequent to the inter-se transfer of shareholding amongst the Promoters, Anadi Investments Private Limited has become the holding company of your company with effect from 31st March, 2012. The shareholding of Anadi Investments Private Limited in the Company is 77,57,687 equity shares of Rs. 10/- each equivalent to 74.61% of the paid up capital of the company as on 31st March 2012.

SUBSIDIARY COMPANY

The Company had one Wholly Owned Subsidiary namely Majestic IT Services Limited (MITSL), which is engaged in the business of providing a broad range of information and technology related services. MITSL has commenced its operations in the area of NCR Delhi.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provision of Section 212(8) of the Companies Act, 1956 the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement pursuant to Section 212 of the Companies Act, 1956 containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company/its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary at the registered office of the Company and at the registered office of the subsidiary company. The Company shall furnish a copy of details of annual accounts of subsidiary to any member on demand. The Consolidated Financial Statements consolidating the financials of the Company and MITSL duly audited by the Statutory Auditors of the Company are published in this Annual Report.

LISTING

The shares of your Company are presently listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing fees for the year 2012-2013 has been paid to it.

FIXED DEPOSITS

During the year under review, the Company has accepted Rs. 10.25 Crores under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. No deposits were matured during the year.

PARTICULARS OF EMPLOYEES

None of the employees has received a salary of Rs.60.00 lac per annum or Rs. 5.00 lac per month or more during the financial year 2011-2012. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

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

The detailed information as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure -III and forms an integral part of this report.

ENVIRONMENTAL & QUALITY MANAGEMENT

With implementation of the Environment Management System (EMS) ISO-14001:2004, the Company continues to pursue its endeavor to operate in harmony with the nature, conservation of natural resources and reduction in Global warming. The Company continues to maintain the ISO/TS:16949(2009) Quality Management Systems to ensure effectiveness of all functions.

AUDITORS

M/s B.D. Bansal & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their appointment, if made, would be in accordance with Section 224(1-B) of the Companies Act, 1956. The Board recommends their re-appointment.

According to the Order dated January 24, 2012 of Cost Audit Branch of Ministry of Corporate Affairs (MCA), read with Section 233 B of the Companies Act, 1956, the audit of cost accounting records is required for the Company in Tractors & other motor vehicles (including automotive components). The Board of Directors of your Company, subject to the approval of the Central Government, has appointed M/s Khushwinder Kumar & Associates, Cost Accountants, Ludhiana to undertake such audit for the financial year 2012-13.

AUDITORS' REPORT

As regards the Auditors' Report, the respective notes to the accounts are self explanatory and therefore, do not call for any comments.

PERSONNEL

As on March 31, 2012, the total number of employees on the records of the Company was 848. The Company conducts several training programmes to upgrade the skills of its workforce. These programmes have a strong practical approach, and the objective is to derive tangible improvements. Industrial relations were cordial throughout the year. Your Directors place on record their appreciation for the dedicated and sincere efforts put in by all employees in the performance of the Company.

ACKNOWLEDGEMENT

The Directors acknowledge with gratitude, the co-operation and assistance given by the Central Government, State Governments, Banks, Dealers, Customers, Vendors and Investors during the year under review.

For and on Behalf of the Board of Directors

Place : Ludhiana

(Mahesh Munjal)

Date : 13.08.2012

Chairman & Managing Director

ANNEXURE-I TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i) INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is mainly engaged in the manufacture of Silencers, Fine Blanking components, Bicycle spokes and Electric motors. In financial year 2011-12, India found itself in a conflict of managing growth and inflation due to major challenges in the macro economy. The Industrial growth has slowed down due to rising interest rates, tight liquidity, inability to raise equity due to uncertain capital market, slowing down of foreign investments and above all, the lack of policy actions and reforms by the Government. This has adversely impacted the confidence of the industry and slowed investments, mainly in infrastructure and capital goods sectors. Domestic automobile market had a mixed year in 2011-12 with only select vehicles reaching the expected industry growth estimates. The motorcycle industry continues to dominate the structure of the Two Wheeler Industry. The company being the supplier of motorcycle silencers to Hero MotoCorp Limited world's largest Two Wheeler Company is hopeful to get benefit from the growth of this market leader of the industry.

The Indian electrical industry operates in a highly dynamic and competitive environment. There is considerable growth potential in the industry led by the changing consumption pattern. Increasing disposable incomes and exposure to media have shaped the aspirations of the consumer fuelling the demand for premium consumables. Thus sustained economic growth and modernization has led to changing consumption patterns.

The OEM and aftermarket observed robust growth in the year 2011-12. The Company has met the continuing demand for the Fine Blanking Components from the OEM and aftermarket. The economy in general is susceptible to possible changes in fiscal, monetary and economic policies of the government especially with regard to fuel, power and freight costs as well as infrastructure.

ii) OPPORTUNITIES AND THREATS

India has the largest engineering talent pool with acclaimed designing and process engineering skillsets. In addition to the human resources, India has quality manufacturing and test facilities on par with the world class quality testing centres elsewhere in the globe. These advantages have enabled India to position as a global resource hub for OEM and auto components manufacturers. India's distinct global cost and quality advantages have augmented the growth of your Company. We expect two wheelers demand to remain robust, given strong off take in both rural and urban areas. The higher disposable income, easy finance options are driving well both auto and consumer goods segment. The company has facilities for tool design and tool making which enables the company to meet-up the expectations of the automobile manufacturers in the country by supplying high quality Fine Blanking components on schedule.

Although intense competitive pressures and interest rates remains an area of concern at all times, the company is hopeful of being able to continuously achieve good results by strengthening its operations.

The main threats to which auto component industry is exposed to are:-

- Unceasing cost reduction demand from OEMs from whom the major portion of the future growth is expected to come.
- Spiraling commodity prices affecting the input costs structure.
- Dumping from China.
- Apprehension about weak economic expansion in the developed countries.
- Foreign Exchange Fluctuation

iii) SEGMENT / PRODUCT-WISE PERFORMANCE

SILENCER AND COMPONENTS THEREOF

The turnover / Income from operations of Mufflers has increased by 7.10% from Rs. 9911 lacs during the previous year to Rs.10615 lacs during the current year.

FINE BLANKING COMPONENTS

The turnover / Income from operations of Fine Blanking Components has increased by 7.45% from Rs.2026 lacs during the year 2010-11 to Rs. 2177 lacs during the year 2011-12.

MAJESTIC AUTO LIMITED

ELECTRICALS

The turnover / Income from operations of Electricals has increased by 6.01% from Rs. 2312 lacs during the previous year to Rs.2451 lacs during the current year.

iv) FUTURE OUTLOOK, RISKS AND CONCERNS

We look forward to the future with optimism as we execute our growth plans. We expect that company's decision to shift its electrical business to the new location at Greater Noida will have locational and logistical advantages. We are exploring various methods of increasing the range of our product offerings in the Electrical division in order to cater to market demand and this will be a new focus area for us. As the company's growth is primarily determined by overall growth of Automotive & Consumer goods industry, the risk of any adverse development in these industries may affect your company's performance.

After having recorded a strong double-digit volume growth over the last two years, the auto and auto components industry may face strong headwinds in 2012-13 leading to moderation in growth contributed by firming up of commodity prices, rising fuel costs and interest rates.

v) THE INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal control so as to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. An extensive programme of internal audits and management reviews supplement the process of internal control. The internal control system has been designed so as to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The Company has formed an Audit Committee, comprising of three Non Executive Independent Directors and one Non Executive Director, which interacts with Statutory Auditors, Internal Auditors and Auditees in dealing with matters within its terms of reference. The Committee deals with accounting matters, financial reporting and internal controls. The Committee met four times during the year ended March 31, 2012 in this regard.

vi) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) prevalent in India. The Company has complied with the requirements of all mandatory accounting standards. The detailed financial performance has already been discussed in the Directors' Report.

vii) HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company had good and cordial relations with its work force during the year under review. The Company has forward looking human resources policies. The Company also actively encourages and provides regular training to its work force in order to ensure that their skills are updated. A separate technical training Cell has been created to look after the technical training needs within the organization. As at the close of the year as on 31.3.2012, 848 employees were on the roll of the Company.

viii) CAUTIONARY STATEMENT

Statements made in this 'Management Discussion and Analysis Report' describing the Company's objectives, projections, estimates, assumptions, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations.

Forward Looking Statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate and will be realized by the Company. Actual results may differ materially from those expressed or implied. Important factors that make a difference to the Company's operations include Global and Indian demand and supply conditions, monsoon, changes in Govt. regulations, tax regimes and economic development within India and the countries within which the Company conducts its business and such other factors.

MAJESTIC AUTO LIMITED

ANNEXURE - II TO DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

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

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all stake holders. Your Company has always believed in the concept of good Corporate Governance involving transparency, independence, accountability, responsibility and fairness with a view to enhance stake holders value. Towards this end, adequate steps have been taken to ensure that all mandatory provisions of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) and applicable to the Company through listing agreement are complied with in its true spirit.

II. Board of Directors

The business of the Company is managed by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Managing Director manages the day to day operations of the Company. The Board of Directors has composition with two third of the Directors being non-executive independent Directors. None of the Directors on the Board holds the office of Director in more than 15 Companies or memberships in Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees.

- A. Four Board Meetings were held on May 30, 2011, August 13, 2011, November 14, 2011 and February 13, 2012 during the Accounting Year ended March 31, 2012. Board Members were given agenda papers alongwith necessary documents and information in advance of each Board and other committee meetings. In addition to the regular business items, all other statutory items as recommended by the SEBI Committee on Corporate Governance were placed before the Board / Committee.

The Composition of the Board of Directors and Directors attendance at the Board Meetings and last annual general meeting of the Company and the details of directors of the Company having directorship in other companies, membership / Chairmanship of Committees across all companies in which they are directors during the financial year 2011-12 are given below :

Name of the Director	No. of Board meetings attended	Attendance at Last AGM	Total number of Committee Membership held (excluding Private Companies)	Total number of Committee Chairmanship held (excluding Private Companies)	Number of other Directorship held (excluding Private Companies)
Executive Mr. Mahesh Munjal (Managing Director)	4	Yes	1	-	4
Non-Executive Ms. Ashima Munjal	3	Yes	2	-	3
Non-Executive and Independent					
Mr. G.P. Sood	3	Yes	6	4	1
Dr. M. A. Zahir	4	Yes	8	3	8
Mr. Harjeet Singh Arora	3	No	2	1	11
Maj. Shavinder Singh Khosla	4	Yes	3	1	-

Independent Directors have no relationship with other Directors of the Company. Ms. Ashima Munjal is daughter of Mr. Mahesh Munjal the Chairman and Managing Director of the Company.

Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

- B. There is no pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company. The non-executive directors are paid sitting fees for attending the Board and committee meetings.
- C. None of the present Directors hold any shares (in his own name or on behalf of other person on beneficial basis) in the Company except Mr. Mahesh Munjal, who is holding 40,421 equity shares of the Company.

INFORMATION SUPPLIED TO THE BOARD

Board members are given agenda along with necessary documents and information in advance of each meeting of the Board and Committee(s). The information as required to be placed before the Board in terms of Clause 49 of the Listing Agreement is placed before the Board.

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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.heromajestic.com. 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 as Annexure-IV.

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.

III. AUDIT COMMITTEE

In the Current Accounting Year ended 31st March, 2012, four meetings of Audit committee were held on May 30, 2011, August 13, 2011, November 14, 2011 and February 13, 2012. The Composition of the Audit Committee and attendance record of members of the Audit Committee for the financial year 2011-12 is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. G. P. Sood (Chairman)	(Non-Executive and Independent Director)	3
Dr. M. A. Zahir	(Non-Executive and Independent Director)	4
Maj. Shavinder Singh Khosla	(Non-Executive and Independent Director)	4
Ms. Ashima Munjal	(Non-Executive Director)	3

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

The genesis of Majestic Auto Limited's Audit Committee can be traced back to the Audit Sub-Committee, constituted in 1994. Since then it has been dealing with matters prescribed by the Board of Directors on a case by case basis. The nomenclature, constitution and terms of reference of the Committee were revised on January 30, 2001 and an Audit Committee was set up as per the provisions of the Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchange(s). As on March 31, 2012, the Committee had three Non-Executive Independent Directors and one Non-Executive Director in accordance with the prescribed guidelines. All the members have sound knowledge in the field of finance, accounting and law. The "terms of reference" of the Audit Committee included the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications, if any, in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the appointment of internal auditors, reporting structure, coverage and frequency of internal audit.
- Reviewing reports furnished by the internal auditors, discussion with Internal Auditors on any significant findings and ensuring follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

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- Discussing with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Directors' Overseas Travelling expenses.
- Review of Foreign Exchange exposure.
- Reviewing the Company's financial and risk management policies.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

PRESENTATION BEFORE AUDIT COMMITTEE (WHEN EVER NECESSARY)

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others which are not on arm's length basis alongwith management's justification for the same.

IV. Remuneration Committee

The Composition of the remuneration Committee as on 31.03.2012 is as under:

Mr. G.P. Sood	Chairman	Non-Executive and Independent Director
Maj. Shavinder Singh Khosla	Member	Non-Executive and Independent Director
Dr. M.A. Zahir	Member	Non-Executive and Independent Director

A Remuneration Committee as per the guidelines set out in the Listing Agreement was set up on 29.01.2002 to review and recommend the payment of salaries, commission, execution of service agreements and other employment conditions for Executive Director(s) / Managing Director(s). The Committee while approving the remuneration takes into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration etc. and brings about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders. All the members of the Committee are Non-executive Independent Directors. The members of the Committee are persons of repute and have sound knowledge of management practices. During this financial year, no meeting of the committee was held. The power and role of the Remuneration Committee is as per guidelines set out in the listing agreement.

REMUNERATION POLICY :

The Managing Director is paid remuneration recommended by remuneration committee and approved by the Board of Directors. In the Board Meeting, the remuneration (subject to the subsequent approval by the shareholders at the general meeting and such other authorities as the case may be) is fixed by the Non-Executive Directors. Executive / Interested Directors do not participate in the discussion / voting in the meeting. 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. Besides that, there is a provision for payment of fixed commission @ 1% of net profit computed in accordance with Section 198 of the Companies Act, 1956.

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of Managing Director, the payment of salary, perquisites and other allowances is restricted to the amount as per terms of Section II of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees of Rs.7500/- for each meeting of the Board and Committees thereof attended by them.

The Remuneration Committee fixes the remuneration as per the guidelines set out by the Central Government/ Listing Agreement, from time to time. The details of remuneration paid / provided to Directors are furnished below:

(A) The details of the remuneration to the Managing Director during the financial year 2011-12 is given below:

Name of the Managing Director	Salary (Rs.)	Bonus (Rs.)	Comm- ission (Rs.)	Other benefits & perquisites (Rs.)	Contribution to P.F. & Super Annuation Fund (Rs.)	Performance Linked Incentive (Rs.)	Total (Rs.)	Service Contract (Rs.)
Mr. Mahesh Munjal	3,427,419	8,400	NIL	1,372,581	754,032	NIL	5,554,032	3 Years

Notes

- The Company has entered into service contract with Mr. Mahesh Munjal, the Managing Director of the Company for a period of 3 years which will be completed on 28.10.2012.
- There are no Notice Period or severance fees payable to the Managing Director of the Company.

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(B) The details of the sitting fees paid to the Non-Executive Directors during the financial year 2011-12 are given below:

Name of the Directors	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. G.P.Sood	45,000	NIL	45,000
Dr. M. A. Zahir	60,000	NIL	60,000
Mr. Harjeet Singh Arora	22,500	NIL	22,500
Ms. Ashima Munjal	52,500	NIL	52,500
Maj. Shavinder Singh Khosla	75,000	NIL	75,000

No Stock Option Scheme has been launched till now by the Company.

V. Shareholders / Investors' Grievance Committee

The Committee has been constituted to specifically redress the grievances of Shareholders and Investors pertaining to shares sent for transfer, non receipt of dividends, dematerialization and other allied matters. During the financial year, two meetings of this committee were held on September 29, 2011 and March 30, 2012 to review the status of shareholders letters and other letters received from other authorities. The Composition and attendance record of members of the Shareholders and Investors' Grievance Committee is as under :

Name of the Director	Category	No. of Shareholders/Investors' Grievance Committee Meetings Attended
Maj. Shavinder Singh Khosla	Chairman	2
Mr. Mahesh Chander Munjal	Executive Director	2
Ms. Ashima Munjal	Non-Executive Director	1

Compliance Officer: Mr. Ajay Garg, Company Secretary

For details of shareholders complaints and their status refer para No. 11 under General Shareholders Information.

VI. General Body Meetings

Details of Annual / Extraordinary General Meetings

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

(i) Annual General Meetings

Year	Location	Date	Time	Special Resolutions Passed
2008-09	At the premises of Hero Cycles Ltd., Hero Nagar, G. T. Road, Ludhiana	Sept. 22, 2009	12.30 P.M.	Approval for re-appointment of Mr. Mahesh Chander Munjal, as the Managing Director of the Company for a period of 3 years w.e.f 29.10.2009.
2009-10	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 29, 2010	11.00 A.M.	No Special Resolution was passed in the Meeting
2010-11	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 29, 2011	11.00 A.M.	Appointment of relative of Director to an office of profit.

(ii) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2011-12.

(iii) Postal Ballot:

During the financial year 2011-12 ended on March 31, 2012, no special/ordinary resolutions passed by the Company through postal ballot and there is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

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VII. Disclosures

1. Related parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No.38 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2012. The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the Company where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large. There are no material individual transactions with related parties, which are not in the normal course of business and which are not on an arm's length basis.

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

Pursuant to the provisions of sub - clause V of the Clause 49 of the Listing Agreement with the Stock Exchange, the Managing Director has issued a certificate to the Board, for the Financial Year ended March 31, 2012.

2. The guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.
3. There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other authorities on any matters related to capital market during the last three years,
4. In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its directors, management, staff and relevant business associates. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on consequences of non-compliances.

VIII. Means of Communication

1. The Company has regularly sent immediately, both by post/courier as well as fax, the annual audited as well as quarterly unaudited results to the Stock Exchange, after they are taken on record by the Board of Directors.
2. The Company's quarterly and annual results have been published in English and Punjabi, Newspapers viz. The Financial Express (all editions) and Desh Sewak respectively and have also been displayed on Company's website at www.heromajestic.com and company is also filing information's through Corporate Filing & Dissemination system at <http://www.corpfiling.co.in>.
3. Management Discussion and Analysis report which forms a part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

IX. General Shareholders Information

1. Annual General Meeting will be held on Friday, 28th September, 2012, at 11.00 A.M. at the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010.

2. For the year ended March 31, 2012, Results were announced on :

First quarter ended June 30, 2011	August 13, 2011
Second quarter ended September 30, 2011	November 14, 2011
Third quarter ended December 31, 2011	February 13, 2012
Fourth quarter ended March 31, 2012	May 28, 2012

3. For the Year ending March 31, 2013, Results will be announced on (Tentative and subject to change)

First quarter results (June 30, 2012)	Second week of Aug, 2012
Second quarter / half year results (Sept. 30, 2012)	Second week of Nov. 2012
Third quarter results (Dec. 31, 2012)	Second week of Feb. 2013
Fourth quarter and year ending (March 31, 2013)	Last week of May, 2013
Annual General Meeting for the year ended March 31, 2013	September, 2013

4. Dates of book closure :

The dates of book closures are from September 22, 2012 to September 28, 2012 (both days inclusive).

5. Listing on Stock Exchange

Stock Exchange where listed

Bombay Stock Exchange Limited

Address

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Listing fees for the 2012-2013 have been paid to the Bombay Stock Exchange Limited, Mumbai within the stipulated time.

6. Stock Codes : 500267 at Bombay Stock Exchange Limited

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7. DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES : INE201B01022

8. a) Market Price Data

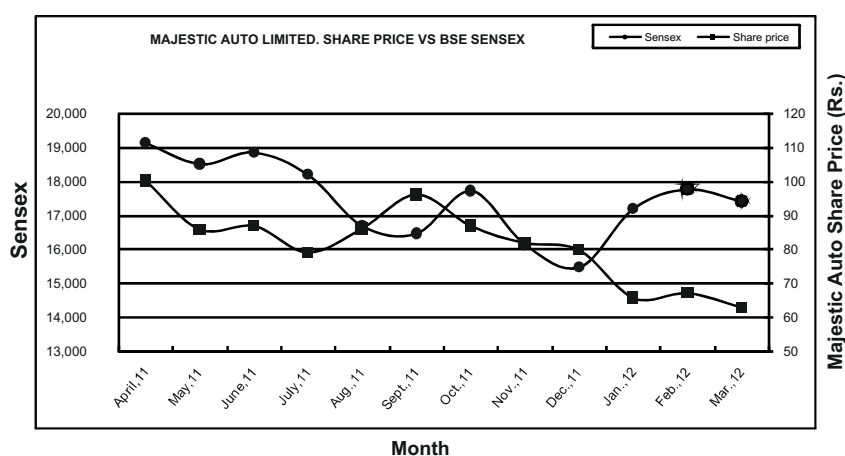
Monthly high and low quotations of shares traded at Bombay Stock Exchange Ltd. is given in the following tables.

Month Year	April 2011	May 2011	June 2011	July 2011	Aug. 2011	Sept. 2011	Oct. 2011	Nov. 2011	Dec. 2011	Jan. 2012	Feb. 2012	March 2012
High (Rs.)	99.95	85.80	86.80	79.00	86.00	96.00	86.65	81.85	79.75	65.50	67.00	62.75
Low (Rs.)	79.00	71.25	72.60	71.70	68.00	72.10	74.05	66.60	55.00	53.05	57.15	50

b) Share Price Movements

Share Price Movements for the period from April 1, 2011 to March 31, 2012 of Majestic Auto Limited vs BSE Sensex.

Majestic Auto Ltd. Share Price vs BSE Sensx



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

Alankit Assignment Limited

Corporate Office, Alankit House, 2E/21, Anarkali Market, Jhandewalan Extension, New Delhi-110 055.

Phones (011) 23541234, 42541234, Fax (011) 23552001, e-mail : rta@alankit.com

10. Share transfer system

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (if in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names. The total number of shares transferred during the year from 1.04.2011 to 31.03.2012 was 1,863, which were completed within prescribed period. Shares under objection were returned within prescribed time. M/s Alankit Assignments Limited, New Delhi is the Registrar and Share Transfer Agent of the Company for both physical and electronic share transfer work of the Company. Therefore, shareholders of the Company are requested to send all shares in physical form for transfer directly to the Registrar and Transfer Agent of the Company.

11. Investors' services

The Company has a Board level Committee dealing with investors issue, which has been discussed in detail earlier. The details of complaints/requests/reminders received and redressed during the year from 01.04.2011 to 31.03.2012 are given hereunder.

Sr. No.	Nature of Complaints/Requests/Reminders	From 01.04.2011 to 31.3.2012	
		Received	Cleared
1.	Old Shares for Demat / Transfer	3	3
2.	Change of Address	12	12
3.	Unclaimed Share Certificate	25	25
4.	Loss of Shares	6	6
5.	Transmission of Shares	7	7
6.	Status of Holding	1	1

The Company has attended to most of the investors grievances/correspondence within a period of 15 days from the date of receipt of the same, during the year ended 31.03.2012.

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12. Distribution of shareholding as on March 31st, 2012

No. Of shares held	Folios		Shares of Rs.10/-paid up Value	
(Rs.10/- paid up)	Number	%	Number	%
Upto 5000	5803	99.079	1402844	13.492
5001 - 10000	29	0.495	218167	2.098
10001 - 20000	11	0.188	159747	1.536
20001 - 30000	5	0.085	124641	1.199
30001 - 40000	1	0.017	33273	0.320
40001 - 50000	2	0.034	84921	0.817
50001 - 100000	2	0.034	155606	1.497
100001 - 500000	3	0.051	460592	4.430
500001 and above	1	0.017	7757687	74.611
Total	5857	100	10397478	100

13. Shareholding Pattern as on March 31st, 2012

Category Code	Category of shareholder	No. of Shareholders	Total No. of Shares	No. of Shares held in dematerialized form	Total Shareholding as a percentage of total number of shares
(I)	(II)	(III)	(IV)	(V)	(VI)
(A)	Shareholding of Promoter and Promoter Group (INDIAN)				
(a)	Bodies Corporate	1	7757687	7757687	74.61
(b)	Directors & their Relatives	1	40421	40421	0.39
	Sub Total (A)	2	7798108	7798108	75.00
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/UTI	8	87957	84606	0.85
(b)	Foreign Institutional Investors	7	144571	142033	1.39
	Sub-Total (B)(1)	15	232528	226639	2.24
B 2	Non-institutions				
(a)	Bodies Corporate	188	380675	375508	3.66
(b)	Individuals				
I	Individual shareholders holding nominal share capital up to Rs 1 lakh	5436	1321338	1109498	12.71
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	15	555144	555144	5.34
(c)	Any Other (specify)				
(c-i)	Non Resident Indians	42	19553	18308	0.19
(c-ii)	Trusts	1	95	0	0.00
(c-iii)	Clearing Members	11	7979	7979	0.08
(c-iv)	Hindu Undivided Families	147	82058	82058	0.79
	Sub-Total (B)(2)	5840	2366842	2148495	22.76
(B)	Total Public Shareholding (B)= B)(1)+(B)(2)	5855	2599370	2375134	25.00
	GRAND TOTAL (A)+(B)	5857	10397478	10173242	100.00

The Promoters have not pledged any shares of the company.

14. Reconciliation of Share Capital Audit

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

15. Dematerialization of shares and liquidity

As on 31st March, 2012, 97.84% of total Equity Share Capital i.e. 10,173,242 Equity Shares were held in dematerialized form with NSDL and CDSL. During the year, 1,964,976 numbers of equity shares of Rs.10/- each were dematerialized by the shareholders representing 18.90% of the total equity share capital of the Company.

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

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

18. Company's Registered Office Address:

C-48, Focal Point, Ludhiana - 141 010, Tel: 0161- 2670234-237 Fax: 0161- 2672790, 2673827

19. Corporate Identify No. (CIN) : L35911PB1973PLC003264

20. Plant Locations :
1) C-48, Focal Point, Ludhiana - 141010
2) C-59, Focal Point, Ludhiana - 141010
3) B-6, B-7 & B-9 Ecotech I, Extension, Greater Noida

21. Non-Mandatory Requirements :

The Company has not adopted the non-mandatory requirements as specified in the Listing Agreement except clause (b) relating to Remuneration Committee.

22. Investors' correspondence may be addressed to:

Mr. Ajay Garg
GM (Finance)-cum-Company Secretary
C-48, Focal Point, Ludhiana-141010 (Punjab)
e-mail : accounts@heromajestic.com, grievance@heromajestic.com

23. Queries Relating to the Financial Statements of the Company may be addressed to :

Mr. Ajay Garg
GM (Finance)-cum-Company Secretary
e-mail: accounts@heromajestic.com

X. Equity shares in Suspense Account under Clause 5A(II)

Pursuant to the provisions of revised Clause 5A(II) of the Listing Agreement, the Company has already sent 3 reminders on 11th July 2011, 14th December 2011 and 25th February, 2012 to those Members, whose share certificates have been returned undelivered. Now, the Company will take necessary steps to transfer the unclaimed shares to unclaimed suspense account.

For and on Behalf of the Board of Directors

Place : Ludhiana

Date : 13.08.2012

(Mahesh Munjal)

Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF MAJESTIC AUTO LIMITED

We have examined the compliance of conditions of Corporate Governance by Majestic Auto Limited (the Company) for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We 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 and on behalf of B.D. Bansal & Co.
Chartered Accountants
ICAI Reg No. 000621N

Place : Ludhiana

Date : 13.08.2012

(Satish Kumar Bansal)

Partner

Membership No.80324

MAJESTIC AUTO LIMITED

ANNEXURE - III TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

I. CONSERVATION OF ENERGY :

a) Energy conservation measures taken;

- i) High efficiency and energy saving motors have been installed.
- ii) Organized training programme for employees.
- iii) Energy saving due to increase in conveyor speed in Paint shop.
- iv) Increase in production of mufflers leading to fuller utilization of furnaces & thereby consequent reduction in per unit energy consumption cost.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy; Replacement of old compressors/motors with new efficient compressors/motors.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

Due to implementation of the above steps (and also steps taken in past), considerable energy and cost of production of goods has been saved/reduced and consequently power factor has been improved.

d) Total energy consumption and energy consumption per unit of production;

Furnishing of this information in the prescribed format in Form-A is not applicable to the Company.

II. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption;

The information has been given in the prescribed format in **Form - B** hereunder.

FORM - B

Form for disclosure of particulars with respect to absorption of technology.

A. RESEARCH & DEVELOPMENT (R & D) :

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY :

- a) Development and Productionization of new Valve Plate for Car AC, Fork & Ratchet in Fine Blanking.
- b) Productionization of ME Motors for supply to Refrigerator Compressor manufacturers.
- c) Development of new Models on ME platform - Aluminium Wound motors.
- d) Twin Cavity Body A tool developed for Muffler for cost reduction & high productivity.
- e) Tool designing and development of new Rotors & Stators & range of these items have been increased.
- f) Car Brake system activities under study for development.
- g) Modification in transportation of Muffler to customer for cost reduction & ease of transport and to meet JIT requirements.
- h) Setting up new R & D facilities for Electric Motors.
 - a) New Valve plate under designing in Fine Blanking
 - b) Development of Wash Motors & Spin Motors for three Major Customers
 - c) New R & D facilities created with upgraded instruments for electric motors.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D :

Able to tap new segments & customer demand by introducing new products.

3. FUTURE PLAN OF ACTION:

- a) To tap new markets for automotive and stamping products.
- b) To explore new auto components for development and expansion of Auto Component business.

MAJESTIC AUTO LIMITED

4. EXPENDITURE ON R & D :	(Rs. in lacs)
a) Capital	NIL
b) Recurring	0.03
c) Total	0.03
d) Total R & D expenditure as a percentage of total turnover	0.001%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company is continuously undertaking product development/ improvement for existing as well as new products by adopting the latest technology. The Company has a team of well qualified and experienced Engineers who are committed to absorb and adopt latest technology.

2. Benefits derived as result of the above efforts :

- a) Quality Improvement and productivity improvement has helped to meet the additional requirement of the customers.
- b) Import substitution
- c) Environment protection and waste management.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

- a) Technology Imported : Nil
- b) Year of Import : Not Applicable
- c) Has technology been fully absorbed : Not Applicable
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and the plan of action : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Activities relating to exports : Extensive efforts are being made to explore the new markets for the products of the Company.

- b) Total foreign exchange used & earned:

(Rs.in lacs)	
Used	328
Earned	11

ANNEXURE - IV TO DIRECTORS' REPORT

DECLARATION OF MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause 1 (D) of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Mumbai, I, Mahesh Munjal, Managing Director of Majestic Auto Limited, hereby confirm that, all the Directors and Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conducts, as applicable to them, for the Financial Year ended March 31, 2012.

Place: Ludhiana
Date : 13.08.2012

(Mahesh Munjal)
Chairman & Managing Director

MAJESTIC AUTO LIMITED

AUDITOR'S REPORT

To The Members M/s. Majestic Auto Ltd.

We have audited the attached balance sheet of M/S. MAJESTIC AUTO LTD as at 31st March 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to in above paragraph, we state that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books;
- c) The Balance sheet, Statement of profit and loss and the Cash Flow Statement referred to in this report are in agreement with the books of account;
- d) In our opinion, the balance sheet and the Statement of profit and loss and Cash Flow Statement comply with the mandatory accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors of the company, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of section 274 (1)(g), of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes to accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - i) in the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2012;
 - ii) in the case of the Statement of profit and loss, of the loss of the company for the period ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flow for the period ended on that date.

**For B. D. Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N**

**Place : Ludhiana
Date : 28.05.2012**

**(Satish Kumar Bansal)
Partner
M.No. 80324**

MAJESTIC AUTO LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT TO THE MEMBERS OF MAJESTIC AUTO LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, the Company has a system of physical verification, which is designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
c) The company has not disposed off any substantial part of its fixed assets so as to affect the Company as a going concern.
- ii) a) The inventory in the custody of the Company has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- iii) a) The Company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956, therefore the provisions of Clause 4 (iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
b) The Company has taken unsecured loans from two parties covered under register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.23.40 crores and the year end balance was Rs. 23.40 crores.
c) According to information and explanations given to us, the rate of interest and other terms & conditions of the aforesaid deposits are not prima-facie prejudicial to the interest of the company.
d) In our opinion and according to information and explanations given to us, the Company has been regular in repayment of stipulated principal and interest.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal controls.
- v) a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding a value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time except for items stated to be of proprietary nature, where the question of comparison does not arise.
- vi) The Company has accepted deposit from the public during the current year and the directives issued by the RBI, provisions of Section 58A and other relevant provisions of the Act and the rules framed thereunder, where applicable, have been complied with. The company has not accepted any sum from small depositors and hence the provisions of Section 58AA of the Act are not applicable. Further, as informed to us no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any tribunal in this regard.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix) a) According to the records of the Company / information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund,

MAJESTIC AUTO LIMITED

Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the above were in arrear as at 31st March, 2012 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute except as stated below:-

S. No.	Nature of Statute	Nature of Dispute	Amount Unpaid (Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Punjab Value Added Tax, 2005	Penalty u/s 51(7) (b) of Punjab Value Added Tax Act, 2005	42,700	A.Y. 2005-06	Dy. Excise & Taxation Commissioner (Appeals) Patiala
2.	U.P. Trade Tax	Penalty Under U.P. Trade Tax Act	1,98,108	A.Y. 2005-06	Assistant Commissioner (Appeals), U.P. Trade Tax, Noida

- x) The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses in the current year and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Therefore, the provision of clause 4(xiii) of the Companies Act (Auditor's Report) order, 2003 is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provision of Clause 4(xiv) of the Companies (Auditor's report) order, 2003 is not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to information and explanations given to us, the Company has applied the term loans for the purpose for which the loans were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investments.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xix) The Company has not issued new debentures during the year covered by our audit. Accordingly, the provision of clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xx) The Company has not raised money by way of public issue during the year. Accordingly, the provision of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of B.D.Bansal & Co.,
Chartered Accountants,
ICAI Regn. No. 000621N

Place : Ludhiana
Date : 28.05.2012

(Satish Kumar Bansal)
Partner
Membership No.80324

MAJESTIC AUTO LIMITED

BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note No.	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	103,982,280	103,982,280
Reserves and surplus	3	693,983,072	502,472,906
		<u>797,965,352</u>	<u>606,455,186</u>
Non-Current liabilities			
Long-term borrowings	4	828,550,044	793,127,765
Deferred tax liabilities (Net)	5	15,186,417	37,662,377
Long-term provisions	6	31,885,462	30,795,561
		<u>875,621,923</u>	<u>861,585,703</u>
Current liabilities			
Short-term borrowings	7	87,217,208	241,984,362
Trade payables	8	183,744,440	182,455,482
Other current liabilities	9	191,583,643	183,682,016
Short-term provisions	10	700,000	700,000
		<u>463,245,291</u>	<u>608,821,860</u>
TOTAL		<u>2,136,832,566</u>	<u>2,076,862,749</u>
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		1,463,409,603	1,345,757,974
Intangible assets		2,078,781	2,514,841
Capital work-in-progress		66,618,698	120,182,234
Intangible Assets under Development		173,400	-
		<u>1,532,280,482</u>	<u>1,468,455,049</u>
Non-current investments	12	49,962,151	32,500,010
Long term loans and advances	13	73,737,880	74,514,162
		<u>123,700,031</u>	<u>107,014,172</u>
Current assets			
Current investments	14	6,767,549	6,691,959
Inventories	15	106,617,961	110,307,983
Trade receivables	16	184,581,260	237,171,770
Cash and Bank Balances	17	19,979,749	31,718,600
Short-term loans and advances	18	156,785,922	113,296,113
Other current assets	19	6,119,612	2,207,103
		<u>480,852,053</u>	<u>501,393,528</u>
TOTAL		<u>2,136,832,566</u>	<u>2,076,862,749</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N

Place : Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman and Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
PARTNER
M.NO.80324

MAJESTIC AUTO LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

PARTICULARS	Note No.	(Rs.)	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Revenue from Operations (Gross)	21		1,866,358,197	1,653,169,881
Less: Excise Duty			219,673,492	172,516,983
Revenue from Operations (Net)			1,646,684,705	1,480,652,898
Other Income	22		275,222,056	65,515,341
Total Revenue			1,921,906,761	1,546,168,239
Expenses:				
Cost of materials consumed	23		1,019,452,241	918,659,940
Purchases of Stock-in-Trade			32,439,482	25,365,392
Changes in Inventories of Finished Goods				
Work-in-Progress and Stock-in-Trade	24		2,247,171	(19,693,992)
Employee Benefit Expense	25		180,925,518	158,164,876
Finance Costs	26		137,592,610	71,763,472
Depreciation and Amortisation Expense	27		127,048,735	92,594,098
Other Expenses	28		255,583,771	218,127,868
Total Expenses			1,755,289,528	1,464,981,654
Profit before tax			166,617,233	81,186,585
Tax expenses:				
Current tax		700,000		7,200,000
Less: MAT Credit Entitlement		-	700,000	6,500,000
Deferred Tax			(22,475,960)	9,657,907
Tax with respect to earlier years			(3,116,973)	(98,398)
Profit for the year			191,510,166	70,927,076
Earnings Per Share (in Rs.)				
(Face Value of Rs. 10/- each)	29			
- Basic			18.42	6.82
- Diluted			18.42	6.82
Significant accounting policies	1			

The accompanying notes are an integral part of the financial statements.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N

Place : Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman and Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
PARTNER
M.NO.80324

MAJESTIC AUTO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		Year Ended 31.03.2012 (Rs.)	Year Ended 31.3.2011 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax and Extraordinary Items		166,617,233	8,12,62,516
Adjustments for			
Add: a) Depreciation & Amortization expense	127,048,735		9,25,94,098
b) Exchange Differences	20,307,865		(11,24,719)
c) Loss on Fixed Assets sold \ discarded	21,272		-
d) Interest - Others and financial charges	117,284,745		7,47,87,987
e) Provision for Doubtful Debts / written back	(1,221,152)		(3,72,669)
f) Loss on Forward Contracts	-		56,204
		263,441,465	16,59,40,901
Less: a) Interest Received on Loans, Deposits	704,641		6,67,125
b) Dividend Income on			
From Current Investments	262,930		4,867
From Long Term Investments(Non Trade)	170,626,050		4,87,50,300
c) Profit From Investments in AOP(Non Trade)	75,590		57,27,489
d) Profit on Sale of Fixed Assets	154,260		3,219
e) Profit on Forward Contract	-		19,56,000
f) Profit on Sale of Investments	99,250,705		1,69,861
		271,074,176	57,278,861
Operating Profit Before Working Capital changes		158,984,522	1,89,924,556
Adjustments for :	(13,355,582)		
a) Increase/Decrease in Trade Payables & Other Current Liabilities	3,690,022		3,14,43,726
b) (Increase)/Decrease in Inventories	15,838,491		(2,49,32,337)
c) (Increase)/Decrease in Loans & Advances and Other Current Assets	53,811,661		129,443,619
d) (Increase)/Decrease in Trade & Other Receivables	-		(13,09,93,116)
		59,984,592	49,61,892
Cash Generated from operations		218,969,114	194,886,448
Less: a) Direct taxes paid	40,664,526		16,431,358
b) Exchange Differences	20,307,865		(1,124,719)
c) Net prior period expenses / Tax adjustments	(2,416,973)		75,931
		58,555,418	15,382,570
Net Cash Flow from operating activities		160,413,696	179,503,878
B. CASH FLOW FROM INVESTING ACTIVITIES			
a) Sale of Fixed Assets	1,923,359		5,000
b) Purchase of Investments	(191,300,000)		(200,011,743)
c) Investments in Subsidiary Company	(17,500,000)		(20,000,000)
d) Loan to Subsidiary Company	(21,800,000)		21,850,000
e) Interest received on loan deposit	704,641		667,125
f) Dividend received	170,626,050		48,750,300
g) Purchase of fixed assets	(192,664,538)		(871,160,855)
h) Loss on Forward Contracts	-		(56,204)
i) Profit on Forward Contracts	-		1,956,000
j) Sale of Investments	290,851,494		201,986,471
Net Cash from (used in) investing activities		40,841,006	(859,713,906)
C. CASH FLOW FROM FINANCING ACTIVITIES			
a) Repayment of borrowings	361,260,434		(126,066,100)
b) Interest - others and financial charges	117,284,745	478,545,179	(74,787,987)
			200,854,087
Less: Proceeds from borrowings		265,551,627	889,457,413
Net Cash from (used in) financing activities		(212,993,552)	688,603,326
D. NET INCREASE(+)/DECREASE(-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(11,738,850)	8,393,298
Cash and Cash equivalents as at the beginning of the year		31,650,372	23,257,074
Cash and Cash equivalents as at the end of the year		19,911,522	31,650,372

NOTES TO THE CASH FLOW STATEMENT

- Cash and Cash equivalents includes cash and bank balances shown in Schedule VII of the Balance Sheet.
- Prior Year figures have been regrouped and recast wherever necessary.
- Balance in deposit accounts at Rs.20,90,906/- (P.Y 68,99,622/-) included in Para 1 above is held as Margin money by Banks and are not freely remissible to the Company.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
ICAI Reg. No. 000621N

Place: Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman & Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
Partner
Membership No. 80324

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTIONS

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 and the relevant presentational requirements of the Companies Act, 1956.

B. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

C. FIXED ASSETS INCLUDING INTANGIBLE ASSETS AND DEPRECIATION/AMORTISATION

- a) Fixed assets including intangible assets are stated at cost net of cenvat, less accumulated depreciation and / or impairment loss, if any. All costs till commencement of commercial production attributable to the fixed assets and intangible assets are capitalized.
- b) Depreciation on fixed assets including intangible assets has been provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- c) The cost of Leasehold land is amortized over the period of lease.
- d) In respect of assets added / disposed off during the year, depreciation is charged on a pro-rata basis with reference to the month of addition/disposal.
- e) Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.
- f) Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises its purchase price and any directly attributable expenditure.

D. INVESTMENTS

Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments (excluding current maturities of long term investments) are stated at the lower of cost and fair value. Long term investments are carried at cost. Provision for diminution in value of long term investments is made only if such decline is not temporary.

E. INVENTORIES

- a) Finished goods are valued at lower of cost or net realizable value. Cost is considered at material cost on moment moving weighted average basis plus appropriate overheads.
- b) Work in progress is valued at material cost on moment moving weighted average basis plus appropriate overheads.
- c) Scrap is valued at net realizable value.
- d) Other inventories are valued at cost on moment moving weighted average basis.
- e) The liability of excise duty on finished goods and scrap lying in the factory at year end is estimated on the basis of sales price of goods and excise rates prevailing on the said date, while determining the cost of closing stock of finished goods and scrap.

F. EMPLOYEE BENEFITS

Superannuation, Provident and Gratuity Funds are accounted for on accrual basis with corresponding payments to recognized scheme/fund. Short term employees' benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss for the year in which the related services rendered. The liability for gratuity (in the nature of a defined benefit obligation) is provided on the basis of actuarial valuation (PUC method) conducted by Life Insurance Company of India (LIC), since the gratuity scheme of the company is covered under a group gratuity cum life assurance cash accumulation policy of the LIC.

G. REVENUE RECOGNITION

Revenue from sale of products/job-work is recognized on dispatch of goods from factory premises and is

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

recognized on accrual basis except for export sales, which are booked on the basis of date of custom clearance. Gross sales as reflected in the financial statements are inclusive of excise duty and net of rebate / trade discounts and returns.

Interest income is recognized on an accrual basis on time proportion method, taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive payment is established by the balance sheet date.

Exports benefits are recognized on an accrual basis at the anticipated realizable value, based on past experience.

H. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciation is provided on the same basis as for other fixed assets.

I. FOREIGN EXCHANGE TRANSACTIONS

The Company accounts for effects of difference in foreign exchange rates in accordance with Accounting Standard 11 notified by the Companies (Accounting Standards) Rules, 2006.

- a) Transactions in foreign currencies are accounted for at the exchange rate prevailing at the date of transaction/ negotiations.
- b) Monetary foreign currencies items outstanding at the year end are restated into rupees at the rate of exchange prevailing on the Balance Sheet date.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expenses on account of exchange rate difference either on settlement or on transaction is recognized in the statement of profit and loss.
- e) In respect of forward contracts, forward premium or discount arising at the inception of forward contract is amortized over the life of contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which exchange rates change. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

J. TAXATION

The provision for current income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods.

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in future. MAT Credit entitlement can be carried forward and utilized for a specific period as prescribed under the law from the year in which the same is availed. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

K. GOVERNMENT GRANTS

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made; such grants are treated as capital reserves.

L. ACCOUNTING FOR ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include estimation of future obligations under employee retirement benefit plans, estimated useful life of fixed assets, classification of assets / liabilities etc. Actual results could differ from these estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standards.

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Notes on Financial Statements for the Year ended 31st March, 2012

M. IMPAIRMENT

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28, 'Impairment of Assets', to determine whether there is any indication of impairment. An impairment loss is recognized when the carrying amount of fixed assets exceeds its recoverable amount. The recoverable amount of an asset is lower of net selling price and its value in use.

N. ACCOUNTING FOR LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

O. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

P. SEGMENT REPORTING

- a) The Company has disclosed business segment as the primary segment for disclosure. The Company has identified four separate segments i.e. Fine Blanking Components, Mufflers, Spokes and Electricals. The Segments are identified with regard to the dominant source, nature of risks and returns, internal organization and management structure and internal reporting systems.
- b) The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.
- c) Segment revenues, Results and Capital employed figures include the respective amounts identifiable to each of the segments. Interest and other financial charges/ incomes are reported at corporate level. Also those assets and liabilities which are not identifiable to the individual segments are reported at corporate level.
- d) The inter segmental revenue is accounted for on the basis of transfer price agreed to amongst segments as per market trend.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is neither recognised nor disclosed in the financial statements.

R. CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. The Company considers all highly liquid financial instruments, which are readily convertible into cash, to be cash equivalents.

S. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)		
2. SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs.10/- each	150,000,000	150,000,000		
2,50,00,000 (Previous Year 2,50,00,000) Preference Shares of Rs. 10/- each	250,000,000	250,000,000		
	<u>400,000,000</u>	<u>400,000,000</u>		
ISSUED SHARE CAPITAL				
103,98,978 (Previous Year 1,03,98,978) Equity Shares of Rs. 10/- each	103,989,780	103,989,780		
SUBSCRIBED AND PAID UP SHARE CAPITAL				
103,97,478 (Previous Year 1,03,97,478) Equity Shares of Rs. 10/- each fully paid up	103,974,780	103,974,780		
Add:Share forfeited (Amount paid up)	7,500	7,500		
	<u>103,982,280</u>	<u>103,982,280</u>		
a) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period.				
Particulars	31-Mar-12		31-Mar-11	
	Number	Amount (Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the year	10,397,478	103,974,780	10,397,478	103,974,780
Add: Shares forfeited (Amount paid up)	-	7,500	-	7,500
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	10,397,478	103,982,280	10,397,478	103,982,280
b) Rights, preferences and restrictions attached to Equity shares				
Equity shares: The company has one class of equity shares having a par value of Re. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.				
c) Shares held by holding company				
Particulars	31-Mar-12		31-Mar-11	
	Number	Amount(Rs)	Number	Amount(Rs)
M/s Anadi Investments (P) Ltd.	7,757,687	77,576,870	7,757,688	77,576,880
d) The details of Shareholders holding more than 5% shares :				
Particulars	31-Mar-12		31-Mar-11	
	No. of Shares	% holding	No. of Shares	% holding
M/s Anandi Investments (P) Ltd.	7757687	74.61	7757688	74.61
3. RESERVES AND SURPLUS				
CAPITAL RESERVE				
Balance as per last account		3,000,000		3,000,000
SECURITIES PREMIUM RESERVE				
Balance as per last account		12,952,386		12,952,386
GENERAL RESERVE				
Balance as per last account		50,000,000		50,000,000
SURPLUS				
Balance as per last account	436,520,520			365,593,444
Add : Profit for the year	191,510,166			70,927,076
		<u>628,030,686</u>		<u>436,520,520</u>
		693,983,072		502,472,900

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Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	(Rs.)	As at 31.03.2012 (Rs.)	(Rs.)	As at 31.03.2011 (Rs.)
4. LONG TERM BORROWINGS	Non-current	Current	Non-current	Current
Secured:				
Rupee Term loans from banks	512,771,882	78,594,000	526,365,790	75,559,238
Foreign currency term loans from banks	60,528,162	57,743,383	116,761,975	37,142,077
Unsecured:				
Deposits (Refer Note 4 (c))	255,250,000	-	150,000,000	-
	<u>828,550,044</u>	<u>136,337,383</u>	<u>793,127,765</u>	<u>112,701,315</u>
Less : Current maturities shown under other current liability (refer note no. 9)		<u>136,337,383</u>		<u>112,701,315</u>
	<u>828,550,044</u>	<u>-</u>	<u>793,127,765</u>	<u>-</u>

a) **Nature of Security**

The Term Loans are secured by mortgage over the immovable properties on pari-passu basis and first charge on entire fixed assets of the Company both present & future on pari-passu basis and also secured by Second Charge on entire current assets of the Company both present and future. These Term Loans are also further secured by personal guarantee of Managing Director of the Company.

b) **Terms of repayment of secured borrowings**

Type of loan	Amount (including current maturities) as on 31.03.2012	Terms of repayment and Maturity	Rate of Interest
Rupee term loans			
Term loan- IDBI Bank	79,800,000	The bank had sanctioned Rs. 100,000,000 (Trade Credit Bank Guarantee) as inner limit of sanctioned term loan of Rs.220,000,000 (out of which as on 31.03.2012 Company has availed Rs.95,000,000 in Indian Rupees & USD 235,000 i.e. Rs. 10,661,809 in the shape of Buyers' Credit), which is repayable in 28 quarterly installments commencing from 30-June-11 with first 12 installments of Rs.3,800,000 each, next 12 installments of Rs.11,100,000 each and remaining 4 installments of Rs. 10,300,000 each.	
Term loan- Catholic Syrian Bank	269,523,382	1. The bank had sanctioned Rs.100,000,000 (fully availed), which is repayable in quarterly installments of Rs. 3,846,000 each commencing from 16.12.2010. 2. The bank had sanctioned Rs.250,000,000 (out of which as on 31.03.2012 Company has availed Rs. 210,000,000), which is repayable in 26 quarterly installments commencing from 31.05.2011 with first 12 installments of Rs.4,350,000 each, Next 12 installments of	The rate of interest on the loans ranges from 11.50% to 12.50% per annum.

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

		Rs.12,575,000 each and Last 2 installments of Rs.23,450,000 Lakhs each."	
Term loan- HDFC Bank	209,542,500	The bank had sanctioned Rs.250,000,000 (out of which as on 31.03.2012 Company has availed Rs. 225,000,000), which is repayable in 26 quarterly installments with first 12 installments of Rs. 5,730,000 each, 12 Installments of Rs 12,950,000 each and last two installments of Rs.12,920,000 each.	
Term loan- Standard Chartered Bank	32,500,000	The bank had sanctioned Rs.100,000,000 (out of which as on 31.03.2012 Company has availed Rs. 40,000,000), which will be repaid in 16 equated quarterly installments	
Foreign currency term loans			
Buyer's Credit Standard Chartered Bank	106,283,983	Principal including interest will be repaid 12 equated quarterly installments from Buyer's Credit draw down date.	The rate of interest on the loans ranges from LIBOR +170 BPS to LIBOR + 320BPS per annum.
Buyer's Credit from IDBI Bank	11,987,562	Buyer's Credit will be 6 months Roll Over and will be repaid within 3 years from Buyer's Credit draw down date.	

	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
PARTICULARS		
c) Terms of Repayment for unsecured borrowings:		
Repayable as per the terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits		
Deposits from Director	131,500,000	100,000,000
Inter Corporate Deposits	21,250,000	50,000,000
Deposits from Others	102,500,000	-
	<u>255,250,000</u>	<u>150,000,000</u>
5. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Related to Fixed Assets	100,891,519	87,720,343
Deferred Tax Assets		
Expenses booked but allowable for tax purposes in subsequent years	85,705,102	50,057,966
Net Deferred Tax Liabilities	<u>15,186,417</u>	<u>37,662,377</u>
6. LONG-TERM PROVISIONS		
Provision for employees benefit		
Provision for Gratuity	31,885,462	30,795,561
	<u>31,885,462</u>	<u>30,795,561</u>
7. SHORT TERM BORROWINGS		
Secured :		
Working Capital Loans repayable on demand from banks	82,175,151	181,984,362
Unsecured Loans:		
Working Capital Loans repayable on demand from banks	5,042,057	-
Working Capital Loans repayable on demand from others	-	60,000,000
	<u>87,217,208</u>	<u>241,984,362</u>

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Notes on Financial Statements for the Year ended 31st March, 2012

- a) The Secured working capital Loans from Banks are secured by hypothecation of stock in trade and book debts and other current assets of the Company both present and future on pari-passu basis and also secured by second pari-passu charge on the immovable properties and entire fixed assets (both present & future) of the Company. These Loans are further secured by personal guarantee of Managing Director of the Company.
- b) The Unsecured working capital Loans from Banks are secured by personal guarantee of Directors of the Company.
- c) The Unsecured working capital Loans from others are secured by personal guarantee of Managing Director of the Company.

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises #	49,304,542	46,405,455
Others	134,439,898	136,050,027
	183,744,440	182,455,482
# This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
9. OTHER CURRENT LIABILITIES		
Current Maturities of long term Borrowings (refer note no.5)	136,337,383	112,701,315
Interest accrued but not due on borrowings	333,532	350,214
Interest accrued and due on borrowings	-	5,751,576
Unpaid dividend #	68,228	68,228
Advance from customers	3,401,503	2,754,448
Other payables (including Govt. dues, taxes, employee benefits, security deposits and other misc. items)	51,442,997	62,056,235
	191,583,643	183,682,016
# There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
10. SHORT TERM PROVISIONS		
Provision for tax	700,000	700,000
	700,000	700,000
11. FIXED ASSETS		

Description (Own Assets)	Gross Block					Depreciation / Amortisation				Net Block	
	As at	Additions	Disposal/	Borrowing	As at	As at	For the	Disposal/	Upto	As at	As at
	01-04-2011		Adjustments	Cost	31-03-2012	01-04-2011	Year	Adjustments	31-03-2012	31-03-2012	31-03-2011
(A) TANGIBLE ASSETS :											
Leasehold Land	324,574,589	-	-	-	324,574,589	1,808,215	3,616,430	-	5,424,645	319,149,944	322,766,374
Freehold Land	44,297,910	-	-	-	44,297,910	-	-	-	-	44,297,910	44,297,910
Buildings	222,698,252	36,794,606	-	3,159,784	262,652,642	49,359,170	6,975,201	-	56,334,371	206,318,271	173,339,082
Plant & Equipment	1,218,587,332	195,935,299	3,828,239	-	1,410,694,392	433,499,506	112,963,428	2,037,867	544,425,067	866,269,325	785,087,826
Furniture & Fixtures	8,294,298	117,412	-	-	8,411,710	5,397,863	403,054	-	5,800,917	2,610,793	2,896,435
Vehicles	14,262,956	6,005,565	-	-	20,268,521	7,969,224	1,592,441	-	9,561,665	10,706,856	6,293,732
Office Equipment	19,261,212	4,033,157	-	-	23,294,369	8,184,597	1,053,268	-	9,237,865	14,056,504	11,076,615
Total (A)	1,851,976,549	242,886,039	3,828,239	3,159,784	2,094,194,133	506,218,575	126,603,822	2,037,867	630,784,530	1,463,409,603	1,345,757,974
Previous Year	1,046,600,795	805,411,375	35,621	-	1,851,976,549	413,880,046	92,372,369	33,840	506,218,575	1,345,757,974	632,720,749
(B) INTANGIBLE ASSETS :											
Computer Software	2,736,570	8,854	-	-	2,745,424	221,729	444,914	-	666,643	2,078,781	2,514,841
Total (B)	2,736,570	8,854	-	-	2,745,424	221,729	444,914	-	666,643	2,078,781	2,514,841
Previous Year	-	2,736,570	-	-	2,736,570	-	221,729	-	221,729	2,514,841	-
Total (A + B)	1,854,713,119	242,894,893	3,828,239	3,159,784	2,096,939,557	506,440,304	127,048,736	2,037,867	631,451,173	1,465,488,384	1,348,272,815
Previous Year	1,046,600,795	808,147,945	35,621	-	1,854,713,119	413,880,046	92,594,098	33,840	506,440,304	1,348,272,815	632,720,749
Capital Work-in-Progress										66,618,698	120,182,234
Intangible Assets under Development										173,400	

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
12. NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS (AT COST)		
Unquoted Equity Instruments		
Investment in Subsidiaries		
Majestic IT Services Limited	47,500,000	30,000,000
47,50,000 (Previous Year 30,00,000)		
Equity shares of Rs. 10/- each fully paid up		
OTHER INVESTMENTS (AT COST)		
Quoted Investment in Equity instruments		
Hero Moto Corp Limited. (Formerly known as Hero Honda Motors Ltd.) 15,77,686 (Previous Year 16,25,010 Equity shares of Rs.2/- each fully paid up	1,262,151	1,300,010
Investment in Capital of Association of Persons (AOP)		
M/s Brij Mohan Lall & Associates		
Total Investment in AOP	7,967,549	7,891,959
Less:-Current Account shown as Investment (Refer Note No. 14)	<u>6,767,549</u>	<u>6,691,959</u>
	1,200,000	1,200,000
	<u>49,962,151</u>	<u>32,500,010</u>
Aggregate amount of quoted investments	1,262,151	1,300,010
Market value of quoted investments	3,241,908,077	2,582,872,145
Aggregate amount of unquoted investments	48,700,000	31,200,000
The Company is a member of M/s Brij Mohan Lall & Associates (AOP), whose constitution as at 31.03.2012 is as under:		
Partners	Share in Profit	
M/s Brijmohan Lall & Sons (HUF)	20%	
M/s Satyanand & Sons (HUF)	20%	
Sh. Pankaj Munjal	20%	
Sh. Naveen Munjal	20%	
M/s Majestic Auto Ltd	20%	
Total capital of AOP as on 31.03.2012 is Rs. 86,37,744 (Fixed Rs. 16,74,465 & Fluctuating Rs.69,63,279) Previous year Rs.1,60,59,794 (Fixed Rs. 26,75,876 & Fluctuating Rs.1,33,83,917)		
13. LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances	44,842,787	42,227,553
Security Deposits	5,567,697	6,245,211
MAT Credit Entitlement	20,800,000	20,800,000
Advance Income Tax (Net of provisions)	1,558,316	4,281,164
Others	969,080	960,234
	<u>73,737,880</u>	<u>74,514,162</u>
14. CURRENT INVESTMENT		
Unquoted		
ASSOCIATION OF PERSONS(NON TRADE)		
M/s Brijmohan lall & Associates (Current Account)	6,767,549	6,691,959
	<u>6,767,549</u>	<u>6,691,959</u>
Aggregate amount of unquoted Investments	6,767,549	6,691,959

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
15. INVENTORIES		
(As taken, valued and certified by the management)		
Raw Material & Components	32,809,031	35,539,393
Work in Progress (Refer Note a (ii))	41,978,997	39,033,204
Finished Goods (Refer Note a (i))	9,217,832	13,476,599
Stores and Spares	8,088,644	10,097,338
Loose Tools	13,676,350	10,380,145
Scrap	847,107	1,781,304
	<u>106,617,961</u>	<u>110,307,983</u>
a) Details of Inventory		
i) Goods Manufactured		
Spokes with Nipples & Washers	134,282	870,664
Mufflers	5,550,501	9,861,381
Fine Blanking components	2,817,032	2,238,142
Electricals	148,346	-
Others	567,671	506,412
	<u>9,217,832</u>	<u>13,476,599</u>
ii) Details of Work in progress		
Spokes with Nipples & Washers	916,978	1,107,504
Mufflers	17,863,856	15,458,909
Fine Blanking components	12,452,535	11,819,520
Electricals	6,331,206	5,066,834
Others	4,414,422	5,580,437
	<u>41,978,997</u>	<u>39,033,204</u>
16. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the due date		
Considered good	1,971,928	725,814
Considered doubtful	61,308,033	62,529,185
	<u>63,279,961</u>	<u>63,254,999</u>
Less: Provision for Doubtful debts	<u>61,308,033</u>	<u>62,529,185</u>
	1,971,928	725,814
Others Considered good	182,609,332	236,445,956
	<u>184,581,260</u>	<u>237,171,770</u>
17. CASH AND BANK BALANCES		
Cash and cash equivalents (as per AS-3)		
Cash on hand	378,311	114,173
Cheques/ Drafts in hand	19,365	21,031
Balances with Banks in Current Accounts	<u>19,513,845</u>	<u>31,515,168</u>
Other bank balances		
Unpaid dividend accounts	68,228	68,228
	<u>19,979,749</u>	<u>31,718,600</u>

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Demand Loan to Subsidiary Company	43,650,000	21,850,000
Advances recoverable in cash or in kind or for value to be received	32,498,603	38,670,624
Balances with customs, excise, etc.	18,118,725	38,700,595
Advance paid to Suppliers	17,332,366	12,746,197
Prepaid Expenses	1,798,854	1,328,697
Advance Income Tax (Net of provisions)	43,387,374	-
	<u>156,785,922</u>	<u>113,296,113</u>
Disclosure as per amendment to clause 32 of the Listing Agreement (Loans and advances in the nature of loans to subsidiaries) The company has given loans & advances of Rs. 43,650,000 (Previous Year Rs. 21,850,000) in the nature of loans to Majestic IT Services Limited (MITSL), the Wholly Owned Subsidiary Company and the maximum balance outstanding during the year is Rs.43,650,000 (Previous Year Rs. 21,850,000. This loan is interest free with no specified re-payment schedule. MITSL has not made any investment in the shares of the parent company. MITSL is also company under the same management as defined under section 370 (I-B) of the Companies Act, 1956.		
19. OTHER CURRENT ASSETS		
(Unsecured considered good)		
Margin Money Deposits*	5,687,761	2,090,906
Interest accrued on Above	431,851	116,197
	<u>6,119,612</u>	<u>2,207,103</u>
* Pledged as security for letters of credit / bank guarantees with maturities exceeding 12 months		
20. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
Sales Tax matters under Punjab Value Added Tax Act, 2005	42,700	220,057
Sales Tax matters under U.P. Trade Tax Act	198,108	198,108
(b) Guarantees		
Bank Guarantees#	32,687,562	31,177,992
(c) Other money for which the Company is contingently liable		
Bills Discounted with the Company's bankers	-	1,690,000
# Including Bank Guarantee of USD235,000 (Rs. 11,987,562) Previous year USD235,000 (Rs.10,477,992)		
(i) Excise duty/Sale Tax paid under protest amounting to Rs. 142,254 (Previous Year Rs. 201,374) is appearing under the head amounts recoverable.		
(ii) The Company has taken legal and other steps necessary to protect its position in respect of the claims mentioned at point no. 20 (I) (a) which in its opinion, based on legal advice are not expected to devolve. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in respect of these claims.		
(II) Commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advance)	73,076,449	71,041,447

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
21. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	1,530,372,829	1,354,809,422
Sale of Services	156,910,141	151,567,844
Other Operating Revenues	179,075,227	146,792,615
	<u>1,866,358,197</u>	<u>1,653,169,881</u>
Details of products sold		
(a)(i) Finished goods		
Spokes with Nipples & Washers	79,550,591	82,028,160
Mufflers	1,176,641,857	995,898,516
Fine Blanking components	187,648,162	177,119,127
Electricals	2,732,497	20,055,019
Others	44,975,875	49,889,299
	<u>1,491,548,982</u>	<u>1,324,990,121</u>
(a)(ii) Traded goods		
Electricals (Aluminum)	38,823,847	29,819,301
	<u>38,823,847</u>	<u>29,819,301</u>
(b) Sale of services		
Job Charges	156,910,141	151,567,844
	<u>156,910,141</u>	<u>151,567,844</u>
(c) Other Operating Revenues		
Sale of scrap	129,018,872	107,965,593
Others	49,966,355	38,827,022
	<u>179,075,227</u>	<u>146,792,615</u>
22. OTHER INCOME		
Interest on		
- Bank Deposits	447,693	199,031
- Others	256,948	468,094
Dividend income		
- From current investments	262,930	4,867
- From Long Term Investments(Non-Trade)	170,626,050	48,750,300
Share of Profit from AOP, M/s Brij Mohan Lall & Associates	75,590	5,727,489
Rent received	94,908	59,452
Provisions/Liabilities no longer required written back	1,821,053	3,516,720
Profit on Sale of Current investments	138,718	169,861
Profit on Sale of Long Term investments	99,111,987	-
Profit on sale of Fixed asset (Net)	154,260	3,219
Other non-operating income	2,231,919	6,616,308
Total	<u>275,222,056</u>	<u>65,515,341</u>
23. COST OF MATERIALS CONSUMED (Derived)		
Opening inventories	35,539,393	35,731,831
Add: Purchases	1,016,721,879	918,467,502
Less: Closing inventories	32,809,031	35,539,393
	<u>1,019,452,241</u>	<u>918,659,940</u>
Imported and Indigenous Raw Materials Consumed:		
	% of Consumption	% of Consumption
Imported	0.59	0.56
Indigenous	99.41	99.44
Total	<u>100</u>	<u>100</u>
Details of Raw Material Consumed		
Steel Wire	57,610,501	57,941,007
Steel Strips & Components	859,484,850	771,967,635
Paints and Chemicals	71,639,075	40,751,155
Plating Material	30,717,815	48,000,143
Total	<u>1,019,452,241</u>	<u>918,659,940</u>

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing inventories		
- Finished goods	9,217,832	13,476,599
- Work-in-process	41,978,997	39,033,204
- Scrap	847,107	1,781,304
	52,043,936	54,291,107
Opening inventories		
- Finished goods	13,476,599	14,852,899
- Work-in-process	39,033,204	18,673,836
- Scrap	1,781,304	1,070,380
	54,291,107	34,597,115
(Increase) / Decrease in Inventories	2,247,171	(19,693,992)
25. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages, bonus etc.	161,186,349	137,599,651
Contribution to Provident and other funds	18,526,831	19,311,767
Staff welfare expenses	1,212,338	1,253,458
	180,925,518	158,164,876
(a) Defined benefit Plans		
GRATUITY PLANS : The gratuity scheme of a company is covered under a group gratuity cum Life Assurance cash accumulation policy offered by LIC of India. The funding to the scheme is done through an approved gratuity trust. Every employee who has completed a minimum five years service is entitled to gratuity based on fifteen days last drawn salary for every completed year of service subject to a maximum of Rs. 1,000,000/-. The disclosures as required pursuant to the Revised Accounting Standard -15 is as under:-		
Net Employee Benefit Expense recognized in the Statement of Profit and Loss		
Current service cost	2,889,610	2,601,817
Add : Interest cost on present value of defined benefit obligation as at the beginning of the year	3,781,966	3,398,616
Less: Expected return on plan assets	1,524,308	1,394,921
Less: Net actuarial(gain) / loss recognized in the year	1,057,366	(1,119,033)
Add: Past service cost	-	-
Net Gratuity Cost	4,089,901	5,724,545
Details of Provision for gratuity recognized in the Balance Sheet		
Present value of defined benefit obligation at the end of year	49,026,104	47,274,571
Less: Unrecognised past service cost	-	-
Less: Fair value of plan assets at the end of year	17,140,642	16,479,010
Funded Status-Net Liability/(Asset)	31,885,462	30,795,561
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	47,274,571	42,482,700
Add: Interest cost	3,781,966	3,398,616
Add: Current service cost	2,889,610	2,601,817
Less: Benefits paid	3,816,011	2,290,117
Less: Actuarial (gains) / losses on obligation	(1,104,032)	1,081,555
Closing defined benefit obligation	49,026,104	47,274,571
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	16,479,010	15,080,224

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended	Year ended			
	31.03.2012	31.03.2011			
	(Rs.)	(Rs.)			
Add: Expected return on plan assets	1,524,308	1,394,921			
Add: Contributions by employer	3,000,000	2,331,460			
Less: Benefits paid	3,816,011	2,290,117			
Add: Actuarial gains / (losses)	(46,665)	(37,478)			
Closing fair value of plan assets	17,140,642	16,479,010			
Actual Return on Plan Assets					
Expected Return on Plan Assets	1,524,308	1,394,921			
Add: Actuarial gain/(loss) on Plan Assets	129,963	111,069			
Actual Return on Plan Assets	1,654,271	1,505,990			
Define Benefits plan for 5 years	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
GRATUITY					
Net Asset/(Liability) recognised in the Balance Sheet					
(a) Present Value of Obligation as at the close of the year	49,026,104	47,274,571	42,482,700	40,393,751	37,290,895
(b) Fair value of plan asset as at the close of the year	17,140,642	16,479,010	15,080,224	13,779,707	15,418,169
(c) Asset/(Liability) recognised in the Balance Sheet	31,885,462	30,795,561	27,402,476	26,614,044	21,872,726
Change in Defined Benefit Obligation (DBO) during the year ended					
Actuarial Gain/(Loss)	(1,104,032)	1,081,555	(1,241,885)	2,171,918	16,830,066
Changes in the fair value of Plan Assets					
Actuarial Gain/(Loss)	(46,665)	(37,478)	(96,453)	(110,662)	(37,394)

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The gratuity scheme contribution is invested in a group gratuity-cum-life assurance cash accumulation policy offered by LIC of India. The expected return on plan assets is taken on the basis of the LIC fund statement received.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	%	%
Insurer Managed fund through Approved Trust	100	100

The principal assumptions used in determining gratuity are shown below:

	%	%
Discount rate	8.00%	8.00%
Expected rate of return on Plan assets	9.25%	9.25%
Salary escalation	7.00%	7.00%
Mortality rate	LIC (1994-96)	LIC (1994-96)
	ULTIMATE	ULTIMATE

Employee turnover:-

Upto 30 years	3	3
Upto 44 years	2	2
Above 44 years	1	1
Method of Valuation	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

SUPERANNUATION BENEFIT

Apart from being covered under the Gratuity Plan, certain employees of the Company participate in a Superannuation Benefit; a defined contribution plan administered by Life Insurance Corporation ("LIC"). The Company makes contributions based on a specified percentage of salary of each covered employee. The Company does not have any further obligation to the superannuation plan beyond making such contributions. Upon retirement or separation (only after completion of 5 years of services) an employee becomes entitled for superannuation benefit, as determined by LIC, which is paid directly to the concerned employee. The Company contributed Rs. Nil (Previous Year Nil) to the Superannuation Plan.

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
26. FINANCE COSTS		
Interest Expenses	107,081,491	67,652,849
Other borrowing costs	10,203,254	7,135,138
Applicable (gain)/loss on foreign currency transactions and translation	20,307,865	(3,024,515)
	137,592,610	71,763,472
27. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible Assets	126,603,821	92,372,369
Depreciation on Intangible Assets	444,914	221,729
	127,048,735	92,594,098
28. OTHER EXPENSES		
Consumption of stores and spares*	34,315,549	22,651,838
Consumption of packing materials	14,917,320	30,440,704
Power and fuel	63,935,695	57,587,771
Fabrication Expenses	24,936,445	32,063,683
Freight , cartage and octroi	11,319,660	6,778,073
Rent (refer note no.38)	599,300	284,181
Rates and taxes	1,206,016	1,069,556
Insurance	5,030,163	2,495,480
Research & Development Expenses	3,045	7,150
Repairs to Plant & Machinery	39,479,584	20,593,643
Repairs to Buildings	1,986,051	1,062,176
Repairs Others	7,189,057	3,127,911
Directors' sitting fees	255,000	247,500
Auditor's remuneration and expenses		
- Audit fee	250,000	250,000
- Tax audit fee	50,000	50,000
- Taxation Matters	75,000	75,000
- Other services	225,000	225,000
(Decrease) / Increase of excise duty on inventories	(13,026)	(113,480)
Freight and forwarding charges	30,061,614	22,168,048
Selling expenses	1,291,724	1,317,714
Donations and contribution to Charitable institutions	750	500
Loss on sale / write off of assets	21,272	-
Prior Period Items	-	75,931
Miscellaneous expenses	18,448,552	15,669,489
	255,583,771	218,127,868
*Including loose tools consumed.		
Stores and Spares Consumed:	% of Consumption	% of Consumption
Imported	26.21	31.87
Indigenous	73.79	68.73
Total	100.00	100.00
29. EARNING PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	191,510,166	70,927,076
Weighted Average number of equity shares used as denominator for calculating EPS	10,397,478	10,397,478
Basic Earnings Per Share (In Rs.)	18.42	6.82
Diluted Earnings Per Share (In Rs.)	18.42	6.82
Face Value per equity share (In Rs.)	10.00	10.00

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

30. Foreign currency exposures recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2012 are as under:

S.No.	Particulars	USD		EURO		CHF		JPY	
		As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
i)	Debtors	23,118	209,715	-	7,755	48,267	5,544	-	62,181,000
ii)	Creditors	18,070	360	-	6,014	23,247	-	-	6,909,000
iii)	Loans	1,317,857	1,949,490	-	-	-	-	82,908,000	124,362,000

31. Details of dues to Micro Enterprises and Small Enterprises.

Sl. No.	Particulars	As on 31.03.2012 (Amount in Rs.)		As on 31.03.2011 (Amount in Rs.)	
		Principle	Interest	Principle	Interest
a)	The principle amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting Year.	49,304,542	-	46,405,455	-
b)	The amount of interest paid by the buyer in terms of section 16 of Micro Small and Medium Enterprises Development 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development 2006.	-	-	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
e)	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 enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development 2006.	-	-	-	-

32. Borrowing costs amounting to Rs. 31,59,784 (previous year Rs. Nil) attributable to acquisition and construction of fixed assets have been capitalized during the year.
33. In the opinion of the Board, all assets other than fixed assets and non current investments have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet.
34. Value of imports calculated on C.I.F. basis in respect of -

	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Raw Material	3,118,905	1,198,890
Components & Spare Parts	12,658,151	8,635,241
Capital Goods	13,165,498	180,257,110
Total	28,942,554	190,091,241

35. Expenditure in Foreign Currency (on accrual basis)

	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Interest	3,508,439	972,742
Others	377,022	797,154
Total	3,885,461	1,769,896

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

36. Earnings in Foreign Currency (on accrual basis)

Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
1,122,719	1,460,377

Export of Goods on FOB basis

37. Assets taken on Operative Lease

The Company has taken on lease certain assets with lease term upto 11 months, which are subject to renewal at mutual consent thereafter. These arrangements can be terminated by either party after giving due notice. The other information in pursuant to Accounting Standard-19 is given hereunder.

	Year ended 31.3.2012 (Rs.)	Year ended 31.3.2011 (Rs.)
a) The total of future minimum lease payments under non-cancelable operating leases for each of the following Periods:		
i) Not later than one year	-	2,77,356
ii) Later than one year and not later than five year	-	-
iii) Later than five year	-	-
b) Lease payments recognized in the statement of profit and loss for the year with separate amounts for		
i) Minimum lease payments	599,300	284,181
ii) Contingent rents	-	-
c) Sub lease payments received (or receivable) recognized in the Statement of profit and loss for the year	N.A	N.A

The lease agreements will expire on 31.01.2013

The Company has taken office premises and residential premises under operating lease agreements.

38. Related party disclosure under Accounting Standard 18

During the year the company had entered into transactions with related parties. Those transactions along with related balances as at March 31, 2012 and for the year then ended are presented in the following table. List of related parties along with nature and volume of transaction is given below:

a) Holding Company	: M/s Anadi Investments Pvt. Ltd.
b) Subsidiary Company	: M/s Majestic IT Services Ltd.
c) Enterprises which has significant influence over the Company (ceased to be related party w.e.f. 30.03.2011)	: Hero Cycles Ltd
d) Enterprises in which the Company has significant influence	: M/s. Brij Mohan Lall & Associates
e) Key Management Personnel	: Mr. Mahesh Munjal (Managing Director)
f) Relatives of Key Management personnel	: Mr. Ayush Munjal
g) Enterprises over which key management personnel and their relatives are able to exercise significant influence	: M/s Munjal Showa Ltd. M/s Highway Industries Ltd. M/s Amar Sons M/s Munjal Auto Ind. Ltd.
h) Employee welfare trust where there is control :	
i) Majestic Auto Ltd. - Employee Gratuity Fund	
ii) Majestic Auto Ltd. - Superannuation Fund	

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

Transactions with related parties during the year ended 31.03.2012

(Amount in Rs.)

Particulars	Subsidiary Company		Enterprises which has significant influence over the Company		Enterprises in which the Company has Significant influence		Key Management personnel		Relatives of Key Management personnel		Enterprises over which key management personnel & their relatives are able to exercise significant influences		Employees welfare trust where there is control	
	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011
1. Purchase of goods														
Hero Cycles Ltd.	-	-	93545727	86420496	-	-	-	-	-	-	-	-	-	-
Munjal Showa Ltd.	-	-	-	-	-	-	-	-	-	-	4,09,383	2,13,789	-	-
M/s Amar Sons	-	-	-	-	-	-	-	-	-	-	6,66,04,940	4,75,25,986	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	38642	-	-
2. Sale of goods														
Hero Cycles Ltd.	-	-	73781702	89399324	-	-	-	-	-	-	-	-	-	-
Munjal Showa Ltd.	-	-	-	-	-	-	-	-	-	-	34,73,642	37,99,050	-	-
3. Rent Received	-	-	30000	30000	-	-	-	-	-	-	-	-	-	-
4. Rent Paid	-	-	6000	6000	-	-	-	-	-	-	-	-	-	-
5. Interest Paid	-	-	3541428	6000000	-	-	14185902	7882192	-	-	-	-	-	-
6. Loan Received	-	-	-	-	-	-	31500000	-	-	-	-	-	-	-
7. Loan Paid	21800000	21850000	28750000	-	-	-	-	-	-	-	-	-	-	-
8. Loan Out Standings	43650000	21850000	21250000	50000000	-	-	131500000	100000000	-	-	-	-	-	-
9. Investment in Equity Shares	47500000	30000000	-	-	-	-	-	-	-	-	-	-	-	-
10. Profit from														
M/s Brij Mohan Lall & Associates	-	-	-	-	75590	5727489	-	-	-	-	-	-	-	-
11. Remuneration Paid														
Maresh Munjal	-	-	-	-	-	-	55,54,032*	43,80,610*	-	-	-	-	-	-
Aayush Munjal	-	-	-	-	-	-	-	-	1306767	-	-	-	-	-
12. Gratuity														
Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	30,00,000	2331460
13. Receivable														
Hero Cycles Ltd	-	-	16913062	8701945	-	-	-	-	-	-	-	-	-	-
M/s Brij Mohan Lall & Associates	-	-	-	-	7967549	7891959	-	-	-	-	-	-	-	-
Munjal Showa Ltd.	-	-	-	-	-	-	-	-	-	-	759595	628931	-	-
14. Payable														
Hero Cycles Ltd.	-	-	10863444	10075485	-	-	-	-	-	-	-	-	-	-
M/s Amar Sons	-	-	-	-	-	-	-	-	-	-	9881272	10682359	-	-
Maresh Munjal	-	-	-	-	-	-	-	57,51,484	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	4524	-	-

*Including perquisites as per Income Tax Act 1961.

Note: No amount has been provided as doubtful debts or advances / written off or written back in the year in respects of debts due from / to above related parties.

MAJESTIC AUTO LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

39. SEGMENT DISCLOSURE

Business Segment

(Amount in Rs.)

	Year Ended 31.03.2012							Year Ended 31.03.2011						
	Fine Blanking Components	Mufflers	Electricals	Spokes	Other Operation	Eliminations	Consolidated	Fine Blanking Components	Mufflers	Electricals	Spokes	Other Operation	Eliminations	Consolidated
1 SEGMENT REVENUE														
Net Sales / Income														
from operations (including sale of scrap)	217655076	1061450552	245109344	79569958	42899775	-	1646684705	202580321	911083911	231207050	82028160	53753456	-	1480652898
Less: Inter segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET SALES/ INCOME														
FROM OPERATIONS (including sale of scrap)	217655076	1061450552	245109344	79569958	42899775	-	1646684705	202580321	911083911	231207050	82028160	53753456	-	1480652898
2 SEGMENT RESULTS														
Profit before Tax,														
Interest & Other Income	18614040	22622314	-13514240	1400150	2825347	-	31947611	40425640	26521292	22386677	2654325	4303732	-	96291666
Total	18614040	22622314	-13514240	1400150	2825347	-	31947611	40425640	26521292	22386677	2654325	4303732	-	96291666
Less: i) Finance Cost							137592610							71763472
ii) Other un-allocable expenditure														
Net of un-allocable income							-272262233							-56658391
Total Profit before tax							166617234							81,186,585
Provision for Taxation							-24892934							10,259,509
Profit after tax							191510168							70,927,076
3 OTHER INFORMATION														
Segment Assets-Fixed / Current														
Assets/Investments	339164271	339702273	1200064363	51117102	34063362	-	1964111371	338295828	404966341	1135818242	47182288	42050478	-	1968313177
Unallocated Corporate Asset	-	-	-	-	-	-	172721000	-	-	-	-	-	-	130220332
TOTAL ASSETS	339164271	339702273	1200064363	51117102	34063362	-	2136832371	338295828	404966341	1135818242	47182288	42050478	-	2098533509
Segment Liabilities-Term/														
Current Liabilities	151357974	395162467	722967159	34253917	19239366	-	1322980883	168456926	426500960	799437252	35094514	24926294	-	1454415946
Unallocated Corporate Liabilities	-	-	-	-	-	-	700000	-	-	-	-	-	-	-
TOTAL LIABILITIES	151357974	395162467	722967159	34253917	19239366	-	1323680883	168456926	426500960	799437252	35094514	24926294	-	1454415946
4 Capital Expenditure for the year	23846042	7967052	160107342	506123	237982	-	192664541	79347124	16921962	766586790	-	8304979	-	871160855
5 Depreciation for the year	32549721	15169340	76939511	530349	1859814	-	127048735	24178513	11314028	46483906	772595	9845056	-	92594098
6 Other Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-

40. The financial statement for the year ended 31 March 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statement for the year have been prepared as per revised schedule VI. Accordingly, the previous year figures have been classified to conform this year classification. The adoption of revised schedule VI for the previous year figures does not impact the recognition and measurement principles followed for the preparation of the financial statements.

41. The Companies (Accounting Standards) (Second Amendment) Rules 2011 has further amended AS-11, "The effects of changes in foreign exchange rates" vide Notification No. G.S.R 914(E) dated December 29, 2011 which amends the principal regulation published vide Notification No. G.S.R 739(E) dated December 7, 2006, and subsequently amended vide Notification No. G.S.R 212(E) dated March 27, 2008, G.S.R 225(E) dated March 31, 2009 and G.S.R 378(E) dated May 11, 2011. Before these amendments, AS-11 required the exchange gain/losses on the long term foreign currency monetary items in so far as they relate to the acquisition of depreciable Capital Asset to be charged off fully in the Profit & Loss Account. The amended AS-11 provides an irrevocable option to the company to add or deduct the exchange rate fluctuation on long term foreign currency monetary items from the cost of the Capital asset and depreciate the same over the balance life of the Capital asset. The amendment is applicable retrospectively from the financial year beginning on or after December 7, 2006. The Company had not earlier exercised the option as per above said principal regulation and opts not to exercise the option under Companies (Accounting Standards) (Second Amendment) Rules 2011 for accounting year ended on March 31, 2012 and accordingly has charged exchange difference related to the long term foreign currency monetary items to the statement of profit and loss.

MAJESTIC AUTO LIMITED

AUDITORS' REPORT

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MAJESTIC AUTO LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Majestic Auto Limited

1. We have audited the attached Consolidated Balance Sheet of Majestic Auto Limited and its subsidiary company Majestic IT Services Limited as at 31st March, 2012, the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard-21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiary included in the consolidated financial statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to explanations given to us and on consideration of the separate audit report on individual audited financial statements of Majestic Auto Limited and its aforesaid subsidiary company, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of Consolidated Balance Sheet, of the Consolidated State of Affairs of Majestic Auto Limited and its subsidiary, as at 31st March, 2012,
 - ii) In the case of Consolidated Statement of Profit and Loss of the Consolidated results of operations of Majestic Auto Limited and its subsidiary for the year then ended and
 - iii) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows of Majestic Auto Limited and its subsidiary for the year then ended.

For and on behalf of B.D.Bansal & Co.
Chartered Accountants
ICAI Reg. No. 000621N

Place : Ludhiana
Date : 28.05.2012

(Satish Kumar Bansal)
PARTNER
Membership No.80324

MAJESTIC AUTO LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note No.	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	103,982,280	103,982,280
Reserves and surplus	3	652,761,243	480,975,655
		<u>756,743,523</u>	<u>584,957,935</u>
Non-Current liabilities			
Long-term borrowings	4	828,550,044	793,127,765
Deferred tax liabilities (Net)	5	15,186,417	37,662,377
Long-term provisions	6	32,240,423	30,919,252
Other long term liabilities	7	305,000	305,000
		<u>876,281,884</u>	<u>862,014,394</u>
Current liabilities			
Short-term borrowings	8	87,217,208	241,984,362
Trade payables	9	189,876,956	186,599,408
Other current liabilities	10	197,762,892	186,803,473
Short-term provisions	11	963,806	709,132
		<u>475,820,862</u>	<u>616,096,375</u>
TOTAL		<u>2,108,846,269</u>	<u>2,063,068,704</u>
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		1,464,326,094	1,346,606,544
Intangible assets		2,118,475	2,560,474
Capital work-in-progress		66,618,698	152,290,060
Intangible Assets under Development		55,880,567	-
		<u>1,588,943,834</u>	<u>1,501,457,078</u>
Non-current investments	13	2,462,151	2,500,010
Long term loans and advances	14	77,974,690	78,093,731
		<u>80,436,841</u>	<u>80,593,741</u>
Current assets			
Current investments	15	6,767,549	6,691,959
Inventories	16	106,617,961	110,307,983
Trade receivables	17	184,594,400	237,171,770
Cash and Bank Balances	18	20,526,700	32,010,609
Short-term loans and advances	19	114,839,372	92,628,461
Other current assets	20	6,119,612	2,207,103
		<u>439,465,594</u>	<u>481,017,885</u>
TOTAL		<u>2,108,846,269</u>	<u>2,063,068,704</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N

Place : Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman and Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
PARTNER
M.NO.80324

MAJESTIC AUTO LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

PARTICULARS	Note No.	(Rs.)	Year ended 31.03.2012 (Rs.)	(Rs.)	Year ended 31.03.2011 (Rs.)
Revenue from Operations (Gross)	22		1,870,831,574		1,653,953,658
Less: Excise Duty			219,673,492		172,516,983
Revenue from Operations (Net)			1,651,158,082		1,481,436,675
Other Income	23		275,222,208		65,624,900
Total Revenue			1,926,380,290		1,547,061,575
Expenses:					
Cost of materials consumed	24		1,019,452,241		918,659,940
Purchases of Stock-in-Trade			32,439,482		25,365,392
Changes in Inventories of Finished Goods	25		2,247,171		(19,693,992)
Work-in-Progress and Stock-in-Trade					
Employee Benefits Expense	26		185,362,698		160,876,246
Finance Costs	27		137,625,200		71,775,423
Depreciation and Amortisation Expense	28		127,229,765		92,685,901
Other Expenses	29		275,131,078		234,312,643
Total Expenses			1,779,487,635		1,483,981,553
Profit before tax			146,892,655		63,080,022
Tax expenses:					
Current tax		700,000		7,200,000	
Less: MAT Credit Entitlement		-	700,000	6,500,000	700,000
Deferred Tax			(22,475,960)		9,657,907
Tax with respect to earlier years			(3,116,973)		(98,398)
Profit for the year			171,785,588		52,820,513
Earnings Per Share (in Rs.)					
(Face Value of Rs. 10/- each)	30				
- Basic			16.52		5.08
- Diluted			16.52		5.08
Significant accounting policies	1				

The accompanying notes are an integral part of the financial statements.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N

Place : Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman and Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
PARTNER
M.NO.80324

MAJESTIC AUTO LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs.)	Year Ended 31.03.2012 (Rs.)	Year Ended 31.3.2011 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax and Extraordinary Items		146,892,656	63,155,953
Adjustments for			
Add: a) Depreciation	127,229,765		92,685,901
b) Exchange Differences	20,307,865		(1,124,719)
c) Loss on Fixed Assets sold \ discarded	21,272		-
d) Interest - Others and financial charges	117,317,335		74,787,987
e) Provision for Doubtful Debts	(1,221,152)		(372,669)
f) Premium on Forward Contracts	-		-
g) Loss on Forward Contracts	-		56,204
		263,655,085	166,032,704
Less: a) Interest Received on Loans, Deposits	704,641		667,125
b) Dividend Income on			
Long Term Quoted Investments(Non Trade)	262,930		48,750,300
Current Un-quoted Investments(Non Trade)	170,626,050		4,867
c) Profit From Investments in AOP(Non Trade)	75,590		5,727,489
d) Profit on Sale of Fixed Assets	154,412		3,424
e) Profit on Forward Contract	-		1,956,000
f) Profit on Sale of Investments	99,250,705		169,861
		271,074,328	57,279,066
Operating Profit Before Working Capital changes		139,473,413	171,909,591
Adjustments for :			
a) Increase in Trade Payables	(7,823,256)		36,438,347
b) (Increase)/Decrease in Inventories	3,690,022		(24,932,337)
c) (Increase)/Decrease in Loans & Advances	14,660,786		126,990,152
d) (Increase)/Decrease in Trade & Other Receivables	53,798,521		(130,993,116)
		64,326,073	7,503,046
Cash Generated from operations		203,799,486	179,412,637
Less: a) Direct taxes paid	40,665,164		16,431,358
b) Exchange Differences	20,307,865		(1,124,719)
c) Net prior period expenses / Tax adjustments	(2,416,973)		75,931
		58,556,056	15,382,570
Net Cash Flow from operating activities		145,243,430	164,030,067
B. CASH FLOW FROM INVESTING ACTIVITIES			
a) Sale of fixed assets	1,926,359		5,000
b) Interest received on Loan, Deposit	704,641		667,125
c) Purchase of Investment	(191,300,000)		-200,011,743
d) Dividend Received	170,626,050		48,750,300
e) Purchase of fixed assets	(216,509,740)		-898,955,520
f) Loss on Forward Contracts	-		-56,204
g) Profit on Forward Contract	-		1,956,000
h) Sale of Investment	290,851,494		201,986,471
Net Cash from (used in) investing activities		56,298,804	(845,658,571)
C. CASH FLOW FROM FINANCING ACTIVITIES			
a) Repayment of borrowings	361,260,434		(126,066,100)
b) Interest - others and financial charges	117,317,335		(74,787,987)
		478,577,769	(200,854,087)
Less: Proceeds from borrowings		265,551,627	889,457,413
Net Cash from (used in) financing activities		(213,026,142)	688,603,326
D. NET INCREASE(+)/DECREASE(-) IN CASH AND CASH EQUIVALENTS (A+B+C)		(11,483,908)	6,974,822
Cash and Cash equiv. as at beginning of the year		31,942,381	24,967,559
Cash and Cash equiv. as at end of the year		20,458,473	31,942,381

NOTES TO THE CASH FLOW STATEMENT

- Cash and Cash equivalents includes cash and bank balances shown in Note 17 of the audited Balance Sheet.
- Prior Year figures have been regrouped and recasted wherever necessary.
- Balance in other current assets at Rs.5,687,761/- (P.Y 2,090,906/-) included in Note No. 19 above is held as Margin money by banks and are not freely remissible to the Company.

AS PER OUR AUDIT REPORT
OF EVEN DATE ANNEXED
For and on behalf of B.D. Bansal & Co.
Chartered Accountants
ICAI Reg. No. 000621N

Place: Ludhiana
Date : 28.05.2012

Mahesh Munjal
Chairman & Managing Director

S.S.Khosla
Director

(Satish Kumar Bansal)
Partner
Membership No. 80324

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include accounts of the Majestic Auto Limited (MAL) and its wholly owned subsidiary, Majestic IT Services Limited, a company incorporated in India. The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

B. ACCOUNTING CONVENTIONS

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 and the relevant presentational requirements of the Companies Act, 1956.

C. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

D. FIXED ASSETS INCLUDING INTANGIBLE ASSETS AND DEPRECIATION/AMORTISATION

- a) Fixed assets including intangible assets are stated at cost net of cenvat, less accumulated depreciation and / or impairment loss, if any. All costs till commencement of commercial production attributable to the fixed assets and intangible assets are capitalized.
- b) Depreciation on fixed assets including intangible assets has been provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- c) The cost of Leasehold land is amortized over the period of lease.
- d) In respect of assets added / disposed off during the year, depreciation is charged on a pro-rata basis with reference to the month of addition/disposal.
- e) Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.
- f) Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises its purchase price and any directly attributable expenditure.

E. INVESTMENTS

Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments (excluding current maturities of long term investments) are stated at the lower of cost and fair value. Long term investments are carried at cost. Provision for diminution in value of long term investments is made only if such decline is not temporary.

F. INVENTORIES

- a) Finished goods are valued at lower of cost or net realizable value. Cost is considered at material cost on moment moving weighted average basis plus appropriate overheads.
- b) Work in progress is valued at material cost on moment moving weighted average basis plus appropriate overheads.
- c) Scrap is valued at net realizable value.
- d) Other inventories are valued at cost on moment moving weighted average basis.
- e) The liability of excise duty on finished goods and scrap lying in the factory at year end is estimated on the basis of sales price of goods and excise rates prevailing on the said date, while determining the cost of closing stock of finished goods and scrap.

G. EMPLOYEE BENEFITS

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which related services are rendered.
- b) Liability in respect of Gratuity is provided for on the basis of actuarial valuation under Projected Unit Credit Method as determined by the actuary in the case of subsidiary company (unfunded) and LIC in the case of holding company (funded).
- c) Provident Fund benefits, being retirement benefits, are accounted for on accrual basis with corresponding payment to recognised fund.
- d) Superannuation in the case of holding company is funded through a scheme obtained from LIC though an

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

approved Superannuation Trust. The subsidiary company does not have any such scheme.

H. REVENUE RECOGNITION

Revenue from sale of products/job-work is recognized on dispatch of goods from factory premises and is recognized on accrual basis except for export sales, which are booked on the basis of date of custom clearance. Gross sales as reflected in the financial statements are inclusive of excise duty and net of rebate / trade discounts and returns. Revenue from Information and Technology enabled services is recognised on accrual basis.

Interest income is recognized on an accrual basis on time proportion method, taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive payment is established by the balance sheet date.

Exports benefits are recognized on an accrual basis at the anticipated realizable value, based on past experience.

I. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciation is provided on the same basis as for other fixed assets.

J. FOREIGN EXCHANGE TRANSACTIONS

The Company accounts for effects of difference in foreign exchange rates in accordance with Accounting Standard 11 notified by the Companies (Accounting Standards) Rules, 2006.

- a) Transactions in foreign currencies are accounted for at the exchange rate prevailing at the date of transaction/ negotiations.
- b) Monetary foreign currencies items outstanding at the year end are restated into rupees at the rate of exchange prevailing on the Balance Sheet date.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expenses on account of exchange rate difference either on settlement or on transaction is recognized in the statement of profit and loss.
- e) In respect of forward contracts, forward premium or discount arising at the inception of forward contract is amortized over the life of contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which exchange rates change. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

K. TAXATION

The provision for current income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods.

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in future. MAT Credit entitlement can be carried forward and utilized for a specific period as prescribed under the law from the year in which the same is availed. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

L. GOVERNMENT GRANTS

Government grants are deducted from the value of the concerned asset if the grant is specifically received for the purchase, construction or acquisition of the asset. However, if it is received as a contribution towards the total investment or by way of contribution to its capital outlay and no repayment is ordinarily required to be made; such grants are treated as capital reserves.

M. ACCOUNTING FOR ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include estimation of future obligations under employee retirement benefit plans, estimated useful life of fixed assets, classification of assets / liabilities etc. Actual results could differ from these estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standards.

N. IMPAIRMENT

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28, 'Impairment of Assets', to determine whether there is any indication of impairment. An impairment

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

loss is recognized when the carrying amount of fixed assets exceeds its recoverable amount. The recoverable amount of an asset is lower of net selling price and its value in use.

O. ACCOUNTING FOR LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

P. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

Q. SEGMENT REPORTING

- a) The Company has disclosed business segment as the primary segment for disclosure. The Company has identified four separate segments i.e. Fine Blanking Components, Mufflers, Spokes and Electricals. The Segments are identified with regard to the dominant source, nature of risks and returns, internal organization and management structure and internal reporting systems.
- b) The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.
- c) Segment revenues, Results and Capital employed figures include the respective amounts identifiable to each of the segments. Interest and other financial charges/ incomes are reported at corporate level. Also those assets and liabilities which are not identifiable to the individual segments are reported at corporate level.
- d) The inter segmental revenue is accounted for on the basis of transfer price agreed to amongst segments as per market trend.

R. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is neither recognised nor disclosed in the financial statements.

S. CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. The Company considers all highly liquid financial instruments, which are readily convertible into cash, to be cash equivalents.

T. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)		
2. SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000		
2,50,00,000 (Previous Year 2,50,00,000) Preference Shares of Rs. 10/- each	250,000,000	250,000,000		
	<u>400,000,000</u>	<u>400,000,000</u>		
ISSUED SHARE CAPITAL				
103,98,978 (Previous Year 1,03,98,978) Equity Shares of Rs. 10/- each	103,989,780	103,989,780		
SUBSCRIBED AND PAID UP SHARE CAPITAL				
103,97,478 (Previous Year 1,03,97,478) Equity Shares of Rs. 10/- each fully paid up	103,974,780	103,974,780		
Add: Share forfeited (Amount paid up)	7,500	7,500		
	<u>103,982,280</u>	<u>103,982,280</u>		
a) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period.				
Particulars	31-Mar-12		31-Mar-11	
	Number	Amount (Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the year	10,397,478	103,974,780	10,397,478	103,974,780
Add: Shares forfeited (Amount paid up)	-	7,500	-	7,500
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	10,397,478	103,982,280	10,397,478	103,982,280
b) Rights, preferences and restrictions attached to Equity shares				
Equity shares: The company has one class of equity shares having a par value of Re. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.				
c) Shares held by holding company				
Particulars	31-Mar-12		31-Mar-11	
	Number	Amount(Rs)	Number	Amount(Rs)
M/s Anadi Investments (P) Ltd.	7,757,687	77,576,870	7,757,688	77,576,880
d) The details of Shareholders holding more than 5% shares :				
Particulars	31-Mar-12		31-Mar-11	
	No. of Shares	% holding	No. of Shares	% holding
M/s Anandi Investments (P) Ltd.	7757687	74.61	7757688	74.61
3. RESERVES AND SURPLUS				
CAPITAL RESERVE				
Balance as per last account		3,000,000		3,000,000
SECURITIES PREMIUM RESERVE				
Balance as per last account		12,952,386		12,952,386
GENERAL RESERVE				
Balance as per last account		50,000,000		50,000,000
SURPLUS				
Balance as per last account	415,023,269			365,593,444
Add : Profit for the year	171,785,588			
		<u>586,808,857</u>		<u>415,023,269</u>
		652,761,243		480,975,655

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)		As at 31.03.2011 (Rs.)	
	Non-current	Current	Non-current	Current
4. LONG TERM BORROWINGS				
Secured:				
Rupee Term loans from banks	512,771,882	78,594,000	526,365,790	75,559,238
Foreign currency term loans from banks	60,528,162	57,743,383	116,761,975	37,142,077
Unsecured:				
Deposits (Refer Note 4 (c))	255,250,000	-	150,000,000	-
	828,550,044	136,337,383	793,127,765	112,701,315
Less : Current maturities shown under other current liability (refer note no. 9)		136,337,383		112,701,315
	828,550,044	-	793,127,765	-

a) Nature of Security

The Term Loans are secured by mortgage over the immovable properties on pari-passu basis and first charge on entire fixed assets of the Company both present & future on pari-passu basis and also secured by Second Charge on entire current assets of the Company both present and future. These Term Loans are also further secured by personal guarantee of Managing Director of the Company.

b) Terms of repayment of secured borrowings

Type of loan	Amount (including current maturities) as on 31.03.2012	Terms of repayment and Maturity	Rate of Interest
Rupee term loans			
Term loan- IDBI Bank	79,800,000	The bank had sanctioned Rs. 10,00,00,000 (Trade Credit Bank Guarantee) as inner limit of sanctioned term loan of Rs.22,00,00,000 (out of which as on 31.03.2012 Company has availed Rs. 9,50,00,000 in Indian Rupees & USD 235000 i.e. Rs. 1,06,61,809 in the shape of Buyers' Credit), which is repayable in 28 quarterly installments commencing from 30-June-11 with first 12 installments of Rs.38,00,000 each, next 12 installments of Rs.1,11,00,000 each and remaining 4 installments of Rs. 1,03,00,000 each.	The rate of interest on the loans ranges from 11.50% to 12.50% per annum.
Term loan- Catholic Syrian Bank	269,523,382	1. The bank had sanctioned Rs.10,00,00,000 (fully availed), which is repayable in quarterly installments of Rs. 38,46,000 each commencing from 16.12.2010. 2. The bank had sanctioned Rs.25,00,00,000 (out of which as on 31.03.2012 Company has availed Rs. 21,00,00,000), which is repayable in 26 quarterly installments commencing from 31.05.2011 with first 12 installments of Rs.43,50,000 each, Next 12 installments of	

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

		Rs.1,25,75,000 each and Last 2 installments of Rs.2,34,50,000 Lakhs each."	
Term loan- HDFC Bank	209,542,500	The bank had sanctioned Rs.25,00,00,000 (out of which as on 31.03.2012 Company has availed Rs. 22,50,00,000), which is repayable in 26 quarterly installments with first 12 installments of Rs. 57,30,000 each, 12 Installments of Rs 1,29,50,000 each and last two installments of Rs. 1,29,20,000 each.	
Term loan- Standard Chartered Bank	32,500,000	The bank had sanctioned Rs.10,00,00,000 (out of which as on 31.03.2012 Company has availed Rs. 4,00,00,000), which will be repaid 16 equated quarterly installments	
Foreign currency term loans			
Buyer's Credit Standard Chartered Bank	106,283,983	Principal including interest will be repaid 12 equated quarterly installments from Buyer's Credit draw down date.	The rate of interest on the loans ranges from LIBOR + 170 BPS to LIBOR + 320BPS per annum.
Buyer's Credit from IDBI Bank	11,987,562	Buyer's Credit will be 6 months Roll Over and will be repaid within 3 years from Buyer's Credit draw down date.	

	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
PARTICULARS		
c) Terms of Repayment for unsecured borrowings:		
Repayable as per the terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits		
Deposits from Director	131,500,000	100,000,000
Inter-corporate Deposits	21,250,000	-
Deposits from Others	102,500,000	50,000,000
	<u>255,250,000</u>	<u>150,000,000</u>
5. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Related to Fixed Assets	101,022,539	87,828,632
Deferred Tax Assets		
Expenses booked but allowable for tax purposes in subsequent years	85,836,122	50,166,255
Net Deferred Tax Liabilities	<u>15,186,417</u>	<u>37,662,377</u>
6. LONG-TERM PROVISIONS		
Provision for employees benefit		
Provision for Gratuity	32,240,423	30,919,252
	<u>32,240,423</u>	<u>30,919,252</u>
7. OTHER LONG TERM LIABILITIES		
Security Deposits	305,000	305,000
	<u>305,000</u>	<u>305,000</u>
8. SHORT TERM BORROWINGS		
Secured :		
Working Capital Loans repayable on demand from banks	82,175,151	181,984,362
Unsecured Loans:		
Working Capital Loans repayable on demand from banks	5,042,057	--
Working Capital Loans repayable on demand from others	-	60,000,000
	<u>87,217,208</u>	<u>241,984,362</u>
a) The Secured working capital Loans from Banks are secured by hypothecation of stock in trade and book debts and other current assets of the Company both present and future on pari-passu basis and also secured by second pari-passu charge on the immovable properties and entire fixed assets (both present & future) of the Company. These Loans are further secured by personal guarantee of Managing Director of the Company.		
b) The Unsecured working capital Loans from Banks are secured by personal guarantee of Directors of the Company.		

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Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
c) The Unsecured working capital Loans from others are secured by personal guarantee of Managing Director of the Company.		
9. TRADE PAYABLES		
Micro, Small and Medium Enterprises #	49,304,542	46,405,455
Others	140,572,414	140,193,953
	189,876,956	186,599,408
# This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
10. OTHER CURRENT LIABILITIES		
Current Maturities of long term Borrowings (refer note no.5)	136,337,383	112,701,315
Interest accrued but not due on borrowings	333,532	350,214
Interest accrued and due on borrowings	-	5,751,576
Income received in advance	3,732,255	1,079,102
Unpaid dividend #	68,228	68,228
Advance from customers	3,401,503	2,754,448
Other payables (including Govt. dues, taxes, employee benefits, security deposits and other misc. items)	53,889,991	64,098,590
	197,762,892	186,803,473
# There are no amounts due for payment o the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
11. SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity	2,157	9,132
Leave Encashment	261,649	-
Others		
Provision for tax	700,000	700,000
	963,806	709,132
12. FIXED ASSETS		

Description (Own Assets)	Gross Block				As at 31-03-2012	Depreciation / Amortisation				Net Block	
	As at 01-04-2011	Additions	Disposal/ Adjustments	Borrowing Cost		As at 01-04-2011	For the Year	Disposal/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
(A) TANGIBLE ASSETS :											
Leasehold Land	324,574,589	-	-	-	324,574,589	1,808,215	3,616,430	-	5,424,645	319,149,944	322,766,374
Freehold Land	44,297,910	-	-	-	44,297,910	-	-	-	-	44,297,910	44,297,910
Buildings	222,698,252	36,794,606	-	3,159,784	262,652,642	49,359,170	6,975,201	-	56,334,371	206,318,271	173,339,082
Plant & Equipment	1,219,276,197	196,015,519	3,828,239	-	1,411,463,477	433,572,363	113,083,466	2,037,867	544,617,962	866,845,515	785,703,834
Furniture & Fixtures	8,306,443	186,512	-	-	8,492,955	5,402,225	427,080	-	5,829,305	2,663,650	2,904,218
Vehicles	14,262,956	6,005,565	-	-	20,268,521	7,969,224	1,592,441	-	9,561,665	10,706,856	6,293,732
Office Equipment	19,502,364	4,129,697	3,000	-	23,629,061	8,200,970	1,084,295	152	9,285,113	14,343,948	11,301,394
Total (A)	1,852,918,711	243,131,899	3,831,239	3,159,784	2,095,379,155	506,312,167	126,778,913	2,038,019	631,053,061	1,464,326,094	1,346,606,544
Previous Year	1,046,955,914	806,011,018	48,221	-	1,852,918,711	413,887,407	92,464,172	34,045	506,317,534	1,346,601,177	633,068,507
(B) INTANGIBLE ASSETS :											
Computer Software	2,750,070	8,854	-	-	2,758,924	224,127	447,102	-	671,229	2,087,694	2,525,943
Trade Mark & Licesnces	37,500	-	-	-	37,500	2,969	3,750	-	6,719	30,781	34,531
Total (B)	2,787,570	8,854	-	-	2,796,424	227,096	450,852	-	677,948	2,118,475	2,560,474
Previous Year	13,500	2,774,070	-	-	2,787,570	-	221,729	-	221,729	2,565,841	13,500
Total (A + B)	1,855,706,281	243,140,753	3,831,239	3,159,784	2,098,175,579	506,539,263	127,229,765	2,038,019	631,731,009	1,466,444,569	1,349,167,018
Previous Year	1,046,969,414	808,785,088	48,221	-	1,855,706,281	413,887,407	92,685,901	34,045	506,539,263	1,349,167,018	633,082,007
Capital Work-in-Progress										66,618,698	152,290,060
Intangible Assets under Development										55,880,567	

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
13. NON-CURRENT INVESTMENTS (Long Term Investments)		
OTHER INVESTMENTS (AT COST)		
Quoted Investment in Equity instruments		
Hero Moto Corp Limited. (Formerly known as Hero Honda Motors Ltd.)		
15,77,686 (Previous Year 16,25,010 Equity shares of Rs.2/- each fully paid up)	1,262,151	1,300,010
Investment in Capital of Association of Persons (AOP)		
M/s Brij Mohan Lall & Associates		
Total Investment in AOP	7,967,549	7,891,959
Less:-Current Account shown as current Investment (Refer Note No.14)	<u>6,767,549</u>	<u>6,691,959</u>
	<u>1,200,000</u>	<u>1,200,000</u>
	<u>2,462,151</u>	<u>2,500,010</u>
Aggregate amount of quoted investments	1,262,151	1,300,010
Market value of quoted investments	3,241,908,077	2,582,872,145
Aggregate amount of unquoted investments	1,200,000	1,200,000
The Company is a member of M/s Brij Mohan Lall & Associates (AOP), whose constitution as at 31.03.2012 is as under:		
Partners	Share in Profit	
M/s Brijmohan Lall & Sons (HUF)	20%	
M/s Satyanand & Sons (HUF)	20%	
Sh. Pankaj Munjal	20%	
Sh. Naveen Munjal	20%	
M/s Majestic Auto Ltd	20%	
Total capital of AOP as on 31.03.2012 is Rs. 86,37,744 (Fixed Rs. 16,74,465 & Fluctuating Rs.69,63,279) Previous year Rs.1,60,59,794 (Fixed Rs. 26,75,876 & Fluctuating Rs.1,33,83,917)		
14. LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Capital Advances	44,842,787	42,227,553
Security Deposits	7,765,491	8,323,005
MAT Credit Entitlement	20,800,000	20,800,000
Advance Income Tax (Net of provisions)	1,558,316	4,281,164
Others	<u>3,008,096</u>	<u>2,462,009</u>
	<u>77,974,690</u>	<u>78,093,731</u>
15. CURRENT INVESTMENT		
Unquoted		
ASSOCIATION OF PERSONS(NON TRADE)		
M/s Brijmohan lall & Associates (Current Account)	6,767,549	6,691,959
	<u>6,767,549</u>	<u>6,691,959</u>
Aggregate amount of unquoted Investments	6,767,549	6,691,959
16. INVENTORIES (As taken, valued and certified by the management)		
Raw Material & Components	32,809,031	35,539,393
Work in Progress (Refer Note a (ii))	41,978,997	39,033,204
Finished Goods (Refer Note a (i))	9,217,832	13,476,599
Stores and Spares	8,088,644	10,097,338
Loose Tools	13,676,350	10,380,145
Scrap	<u>847,107</u>	<u>1,781,304</u>
	<u>106,617,961</u>	<u>110,307,983</u>

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
a) Details of Inventory		
i) Goods Manufactured		
Spokes with Nipples & Washers	134,282	870,664
Mufflers	5,550,501	9,861,381
Fine Blanking components	2,817,032	2,238,142
Electricals	148,346	-
Others	567,671	506,412
	<u>9,217,832</u>	<u>13,476,599</u>
ii) Details of Work in progress		
Spokes with Nipples & Washers	916,978	1,107,504
Mufflers	17,863,856	15,458,909
Fine Blanking components	12,452,535	11,819,520
Electricals	6,331,206	5,066,834
Others	4,414,422	5,580,437
	<u>41,978,997</u>	<u>39,033,204</u>
17. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the due date		
Considered good	1,971,928	725,814
Considered doubtful	61,308,033	62,529,185
	<u>63,279,961</u>	<u>63,254,999</u>
Less: Provision for Doubtful debts	61,308,033	62,529,185
	<u>1,971,928</u>	<u>725,814</u>
Others Considered good	182,622,472	236,445,956
	<u>184,594,400</u>	<u>237,171,770</u>
18. CASH AND BANK BALANCES		
Cash and cash equivalents (as per AS-3)		
Cash on hand	430,849	151,349
Cheques/ Drafts in hand	19,365	21,031
Balances with Banks in Current Accounts	20,008,258	31,770,001
Other bank balances		
Unpaid dividend accounts	68,228	68,228
	<u>20,526,700</u>	<u>32,010,609</u>
19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	32,699,640	38,926,470
Balances with customs, excise, etc.	19,620,500	39,627,097
Advance paid to Suppliers	17,332,366	12,746,197
Prepaid Expenses	1,798,854	1,328,697
Advance Income Tax (Net of provisions)	43,388,012	-
	<u>114,839,372</u>	<u>92,628,461</u>
20. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Margin Money Deposits*	5,687,761	2,090,906
Interest accrued on Above	431,851	116,197
	<u>6,119,612</u>	<u>2,207,103</u>

* Pledged as security for letters of credit / bank guarantees with maturities exceeding 12 months

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
21. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
Sales Tax matters under Punjab Value Added Tax Act, 2005	42,700	220,057
Sales Tax matters under U.P. Trade Tax Act	198,108	198,108
(b) Guarantees		
Bank Guarantees#	32,687,562	31,177,992
(c) Other money for which the Company is contingently liable		
Bills Discounted with the Company's bankers	-	1,690,000
# Including Bank Guarantee of USD235000 (Rs. 11987562) Previous year USD235000 (Rs.10477992)		
(i) Excise duty/Sale Tax paid under protest amounting to Rs. 1,42,254 (Previous Year Rs. 2,01,374) is appearing under the head amounts recoverable.		
(ii) The Company has taken legal and other steps necessary to protect its position in respect of the claims mentioned at point no. 20 (I) (a) which in its opinion, based on legal advice are not expected to devolve. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in respect of these claims.		
(II) Commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advance)	73,076,449	71,041,447
	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
22. REVENUE FROM OPERATIONS (GROSS)		
Sale of Products	1,530,372,829	1,354,809,422
Sale of Services	161,383,518	152,351,621
Other Operating Revenues	179,075,227	146,792,615
	<u>1,870,831,574</u>	<u>1,653,953,658</u>
Details of products sold		
(a)(i) Finished goods		
Spokes with Nipples & Washers	79,550,591	82,028,160
Mufflers	1,176,641,857	995,898,516
Fine Blanking components	187,648,162	177,119,127
Electricals	2,732,497	20,055,019
Others	44,975,875	49,889,299
	<u>1,491,548,982</u>	<u>1,324,990,121</u>
(a)(ii) Traded goods		
Electricals (Aluminum)	38,823,847	29,819,301
	<u>38,823,847</u>	<u>29,819,301</u>
(b) Sale of services		
Job Charges	161,383,518	152,351,621
	<u>161,383,518</u>	<u>152,351,621</u>
(c) Other Operating Revenues		
Sale of scrap	129,018,872	107,965,593
Others	49,966,355	38,827,022
	<u>179,075,227</u>	<u>146,792,615</u>

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
23. OTHER INCOME		
Interest on		
- Bank Deposits	447,693	199,031
- Others	256,948	468,094
Dividend income		
- From current investments	262,930	4,867
- From Long Term Investments (Non-trade)	170,626,050	48,750,300
Share of Profit from AOP, M/s Brij Mohan Lall & Associates	75,590	5,727,489
Rent received	94,908	59,452
Provisions/Liabilities no longer required written back	1,821,053	3,626,074
Profit on Sale of Current investments	138,718	169,861
Profit on Sale of Long Term investments	99,111,987	-
Profit on sale of Fixed asset (Net)	154,412	3,424
Other non-operating income	2,231,919	6,616,308
Total	275,222,208	65,624,900
24. COST OF MATERIALS CONSUMED (Derived)		
Opening inventories	35,539,393	35,731,831
Add: Purchases	1,016,721,879	918,467,502
Less: Closing inventories	32,809,031	35,539,393
	1,019,452,241	918,659,940
Imported and Indigenous Raw Materials Consumed:		
	% of Consumption	% of Consumption
Imported	0.59	0.56
	6,045,767	5,382,929
Indigenous	99.41	99.44
	1,013,406,474	913,277,011
Total	100	100
	1,019,452,241	918,659,940
Details of Raw Material Consumed		
Steel Wire	57,610,501	57,941,007
Steel Strips & Components	859,484,850	771,967,635
Paints and Chemicals	71,639,075	40,751,155
Plating Material	30,717,815	48,000,143
Total	1,019,452,241	918,659,940
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing inventories		
- Finished goods	9,217,832	13,476,599
- Work-in-process	41,978,997	39,033,204
- Scrap	847,107	1,781,304
	52,043,936	54,291,107
Opening inventories		
- Finished goods	13,476,599	14,852,899
- Work-in-process	39,033,204	18,673,836
- Scrap	1,781,304	1,070,380
	54,291,107	34,597,115
(Increase) / Decrease in Inventories	2,247,171	(19,693,992)

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
26. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages, bonus etc.	164,924,856	139,638,355
Contribution to Provident and other funds	18,777,112	19,422,303
Staff welfare expenses	1,660,730	1,815,608
	185,362,698	160,876,246
(a) Defined benefit Plans		
GRATUITY PLANS : The gratuity scheme of a company is covered under a group gratuity cum Life Assurance cash accumulation policy offered by LIC of India. The funding to the scheme is done through an approved gratuity trust. Every employee who has completed a minimum five years service is entitled to gratuity based on fifteen days last drawn salary for every completed year of service subject to a maximum of Rs. 10,00,000/-. The disclosures as required pursuant to the Revised Accounting Standard -15 is as under:-		
Net Employee Benefit Expense recognized in the Statement of Profit and Loss		
Current service cost	3,119,033	2,721,217
Add : Interest cost on present value of defined benefit obligation as at the beginning of the year	4,029,628	3,400,399
Less: Expected return on plan assets	1,524,308	1,394,921
Less: Net actuarial (gain) / loss recognized in the year	1,310,157	(1,108,386)
Add: Past service cost	-	-
Net Gratuity Cost	4,314,196	5,835,081
Details of Provision for gratuity recognized in the Balance Sheet		
Present value of defined benefit obligation at the end of year	49,383,222	47,407,394
Less: Unrecognised past service cost	-	-
Less: Fair value of plan assets at the end of year	17,140,642	16,479,010
Funded Status-Net Liability/(Asset)	32,242,580	30,928,384
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	47,407,394	42,504,987
Add: Interest cost	4,029,628	3,400,399
Add: Current service cost	3,119,033	2,721,217
Less: Benefits paid	3,816,011	2,290,117
Less: Actuarial (gains) / losses on obligation	(1,356,822)	1,070,908
Closing defined benefit obligation	49,383,222	47,407,394
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	16,479,010	15,080,224
Add: Expected return on plan assets	1,524,308	1,394,921
Add: Contributions by employer	3,000,000	2,331,460
Less: Benefits paid	3,816,011	2,290,117
Add: Actuarial gains / (losses)	(46,665)	(37,478)
Closing fair value of plan assets	17,140,642	16,479,010
Actual Return on Plan Assets		
Expected Return on Plan Assets	1,524,308	1,394,921
Add: Actuarial gain/(loss) on Plan Assets	129,963	111,069
Actual Return on Plan Assets	1,654,271	1,505,990

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)				Year ended 31.03.2011 (Rs.)
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Define Benefits plan for 5 years GRATUITY					
Net Asset/(Liability) recognised in the Balance Sheet					
(a) Present Value of Obligation as at the close of the year	49383222	47407394	42504987	40393751	37290895
(b) Fair value of plan asset as at the close of the year	17140642	16479010	15080224	13779707	15418169
(c) Asset/(Liability) recognised in the Balance Sheet	32242580	30928384	27424763	26614044	21872726
Change in Defined Benefit Obligation (DBO) during the year ended					
Actuarial Gain/(Loss)	(1356822)	1070908	(1241885)	2171918	16830066
Changes in the fair value of Plan Assets					
Actuarial Gain/(Loss)	(46665)	(37478)	(96453)	(110662)	(37394)

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The gratuity scheme contribution is invested in a group gratuity-cum-life assurance cash accumulation policy offered by LIC of India. The expected return on plan assets is taken on the basis of the LIC fund statement received.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	%	%
Insurer Managed fund through Approved Trust	100	100

The principal assumptions used in determining gratuity are shown below:

	%	%
Discount rate	8.00%	8.00%
Expected rate of return on Plan assets	9.25%	9.25%
Salary escalation	7.00%	7.00%
Mortality rate	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE

Employee turnover:-

Upto 30 years	3	3
Upto 44 years	2	2
Above 44 years	1	1
Method of Valuation	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

SUPERANNUATION BENEFIT

Apart from being covered under the Gratuity Plan, certain employees of the Company participate in a Superannuation Benefit; a defined contribution plan administered by Life Insurance Corporation ("LIC"). The Company makes contributions based on a specified percentage of salary of each covered employee. The Company does not have any further obligation to the superannuation plan beyond making such contributions. Upon retirement or separation (only after completion of 5 years of services) an employee becomes entitled for superannuation benefit, as determined by LIC, which is paid directly to the concerned employee. The Company contributed Rs. Nil (Previous Year Nil) to the Superannuation Plan.

27. FINANCE COSTS

Interest Expenses	107,081,491	67,652,849
Other borrowing costs	10,235,844	7,147,089
Applicable (gain)/loss on foreign currency transactions and translation	20,307,865	(3,024,515)
	137,625,200	71,775,423

28. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on Tangible Assets	126,778,913	92,459,015
Depreciation on Intangible Assets	450,852	226,886
	127,229,765	92,685,901

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

PARTICULARS	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
29. OTHER EXPENSES		
Consumption of stores and spares*	34,315,549	22,651,838
Consumption of packing materials	14,917,320	30,440,704
Power and fuel	64,509,536	58,171,552
Fabrication Expenses	24,936,445	32,063,683
Freight, cartage and octroi	11,319,660	6,778,073
Rent (refer note no.38)	4,841,188	4,194,969
Rates and taxes	1,206,016	1,069,556
Insurance	5,030,163	2,495,480
Research & Development Expenses	3,045	7,150
Repairs to Plant & Machinery	39,479,584	20,593,643
Repairs to Buildings	1,986,051	1,062,176
Repairs Others	7,396,626	3,160,971
Directors' sitting fees	255,000	247,500
Auditor's remuneration and expenses		
- Audit fee	280,000	280,000
- Tax audit fee	50,000	50,000
- Taxation Matters	75,000	75,000
- Other services	235,000	235,000
(Decrease) / Increase of excise duty on inventories	(13,026)	(113,480)
Freight and forwarding charges	30,061,614	22,168,048
Selling expenses	8,113,925	7,488,044
Donations and contribution to Charitable institutions	750	500
Loss on sale / write off of assets	21,272	-
Prior Period Items	-	75,931
Miscellaneous expenses	26,110,360	21,116,305
	275,131,078	234,312,643

* Including loose tools consumed.

Stores and Spares consumed:	% of Consumption		% of Consumption	
Imported	26.21	8,995,287	31.87	7,220,163
Indigenous	73.79	25,320,262	68.73	15,431,675
Total	100.00	34,315,549	100.00	22,651,838

30. EARNING PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	171,785,590	52,820,513
Weighted Average number of equity shares used as denominator for calculating EPS	10,397,478	10,397,478
Basic Earnings Per Share (In Rs.)	16.52	5.08
Diluted Earnings Per Share (In Rs.)	16.52	5.08
Face Value per equity share (In Rs.)	10.00	10.00

31. Foreign currency exposures recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2012 are as under:

S.No.	Particulars	USD		EURO		CHF		JPY	
		As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
i)	Debtors	23,118	209,715	-	7,755	48,267	5,544	-	62,181,000
ii)	Creditors	18,070	360	-	6,014	23,247	-	-	6,909,000
iii)	Loans	1,317,857	1,949,490	-	-	-	-	82,908,000	124,362,000

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

32. Details of dues to Micro Enterprises and Small Enterprises.

Sl. No.	Particulars	As on 31.03.2012 (Amount in Rs.)		As on 31.03.2011 (Amount in Rs.)	
		Principle	Interest	Principle	Interest
a)	The principle amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting Year.	49,304,542	-	46,405,455	-
b)	The amount of interest paid by the buyer in terms of section 16 of Micro Small and Medium Enterprises Development 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development 2006.	-	-	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
e)	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 enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development 2006.	-	-	-	-

33. Borrowing costs amounting to Rs. 31,59,784 (previous year Rs. Nil) attributable to acquisition and construction of fixed assets have been capitalized during the year.

34. In the opinion of the Board, all assets other than fixed assets and non current investments have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet.

35. Value of imports calculated on C.I.F. basis in respect of -

	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Raw Material	3,118,905	1,198,890
Components & Spare Parts	12,658,151	8,635,241
Capital Goods	13,165,498	180,257,110
Total	28,942,554	190,091,241

36. Expenditure in Foreign Currency (on accrual basis)

	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Interest	3,508,439	972,742
Others	377,022	797,154
Total	3,885,461	1,769,896

37. Earnings in Foreign Currency (on accrual basis)

	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
Export of Goods on FOB basis	1,122,719	1,460,37738.

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

38. Assets taken on Operative Lease

The Company has taken on lease certain assets with lease term upto 11 months, which are subject to renewal at mutual consent thereafter. These arrangements can be terminated by either party after giving due notice. The other information in pursuant to Accounting Standard-19 is given hereunder.

a)	The total of future minimum lease payments under non-cancelable operating leases for each of the following Periods:	Year ended 31.3.2012 (Rs.)	Year ended 31.3.2011 (Rs.)
i)	Not later than one year	3,25,899	41,89,356
ii)	Later than one year and not later than five year	-	39,44,600
iii)	Later than five year	-	-
b)	Lease payments recognized in the statement of profit and loss for the year with separate amounts for		
i)	Minimum lease payments	48,30,088	41,88,969
ii)	Contingent rents	-	-
c)	Sub lease payments received (or receivable) recognized in the Statement of profit and loss for the year	N.A	N.A

The Company has taken office premises and residential premises under operating lease agreements.

39. Related party disclosure under Accounting Standard 18

During the year the company had entered into transactions with related parties. Those transactions along with related balances as at March 31, 2012 and for the year then ended are presented in the following table. List of related parties along with nature and volume of transaction is given below:

a) Holding Company	: M/s Anadi Investments Pvt. Ltd.
b) Subsidiary Company	: M/s Majestic IT Services Ltd.
c) Enterprises which has significant influence over the Company (ceased to be related party w.e.f. 30.03.2011)	: Hero Cycles Ltd
d) Enterprises in which the Company has significant influence	: M/s. Brij Mohan Lall & Associates
e) Key Management Personnel	: Mr. Mahesh Munjal (Managing Director)
f) Relatives of Key Management personnel	: Mr. Ayush Munjal & Ms. Ashima Munjal
g) Enterprises over which key management personnel and their relatives are able to exercise significant influence	: M/s Munjal Showa Ltd. M/s Highway Industries Ltd. M/s Amar Sons M/s Munjal Auto Ind. Ltd.
h) Employee welfare trust where there is control :	
i) Majestic Auto Ltd. - Employee Gratuity Fund	
ii) Majestic Auto Ltd. - Superannuation Fund	

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Transactions with related parties during the year ended 31.03.2012:

(Amount in Rs.)

Particulars	Enterprises which has significant influence over the Company		Enterprises in which the Company has Significant influence		Key Management personnel		Relatives of Key Management personnel		Enterprises over which key management personnel & their relatives are able to exercise significant influences		employees welfare trust where there is control	
	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011	Year Ended 31.3.2012	Year Ended 31.3.2011
1. Purchase of goods												
Hero Cycles Ltd.	93545727	86420496	-	-	-	-	-	-	-	-	-	-
Munjla Showa Ltd.	-	-	-	-	-	-	-	-	4,09,383	2,13,789	-	-
M/s Amar Sons	-	-	-	-	-	-	-	-	6,66,04,940	4,75,25,986	-	-
Others	-	-	-	-	-	-	-	-	-	38642	-	-
2. Sale of goods												
Hero Cycles Ltd.	73781702	89399324	-	-	-	-	-	-	-	-	-	-
Munjla Showa Ltd.	-	-	-	-	-	-	-	-	34,73,642	37,99,050	-	-
3. Rent Received	30000	30000	-	-	-	-	-	-	-	-	-	-
4. Rent Paid	6000	6000	-	-	-	-	-	-	-	-	-	-
5. Interest Paid	3541428	6000000	-	-	14185902	7882192	-	-	-	-	-	-
6. Loan Received	-	-	-	-	31500000	-	-	-	-	-	-	-
7. Loan Paid	28750000	-	-	-	-	-	-	-	-	-	-	-
8. Loan Out Standings	21250000	50000000	-	-	131500000	100000000	-	-	-	-	-	-
9. Investment in Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-
10. Profit from												
M/s Brij Mohan Lal & Associates	-	-	75590	5727489	-	-	-	-	-	-	-	-
11. Remuneration Paid												
Mahesh Munjal	-	-	-	-	55,54,032*	43,80,610*	-	-	-	-	-	-
Aashima Munjal	-	-	-	-	18,00,000*	18,00,000*	-	-	-	-	-	-
Aayush Munjal	-	-	-	-	-	-	1306767	-	-	-	-	-
12. Gratuity												
Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	30,00,000	2331460
13. Receivable												
Hero Cycles Ltd	16913062	8701945	-	-	-	-	-	-	-	-	-	-
M/s Brij Mohan Lal & Ass.	-	-	7967549	7891959	-	-	-	-	-	-	-	-
Munjla Showa Ltd.	-	-	-	-	-	-	-	-	759595	628931	-	-
14. Payable												
Hero Cycles Ltd.	10863444	10075485	-	-	-	-	-	-	-	-	-	-
M/s Amar Sons	-	-	-	-	-	-	-	-	9881272	10682359	-	-
Mahesh Munjal	-	-	-	-	-	57,51,484	-	-	-	-	-	-
Aashima Munjal	-	-	-	-	650,000	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	4524	-	-

*Including perquisites as per Income Tax Act 1961.

Note: No amount has been provided as doubtful debts or advances / written off or written back in the year in respects of debts due from / to above related parties.

MAJESTIC AUTO LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

41. SEGMENT DISCLOSURE

Business Segment

		Year Ended 31.03.2012							Year Ended 31.03.2011							(Amount in Rs.)
		Fine Bl- anking Compo- nents	Muf- flers	Elect- ricals	Spoke- s	Other Oper- ation	Elimin- ations	Consol- idated	Fine Bl- anking Compo- nents	Muf- flers	Elect- ricals	Spoke- s	Other Oper- ation	Elimin- ations	Consol- idated	
1	SEGMENT REVENUE															
	Net Sales / Income from operations (including scrap sale)	217655076	1061450552	245109344	79569958	47373152	-	1651158082	202580321	911083911	231207050	82028160	54537233	-	1481436675	
	Less: Inter segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	NET SALES/ INCOME FROM OPERATIONS	217655076	1061450552	245109344	79569958	47373152	-	1651158082	202580321	911083911	231207050	82028160	54537233	-	1481436675	
2	SEGMENT RESULTS															
	Profit before Tax, Interest & Other Income	18614040	22622314	-13514240	1400150	-16899230	-	12223034	40425640	26521292	22386677	2654325	-13790880	-	78197054	
	Total	18614040	22622314	-13514240	1400150	-16899230	-	12223034	40425640	26521292	22386677	2654325	-13790880	-	78197054	
	Less: i) Finance Cost							137592610							71775423	
	ii) Other un-allocable expenditure							-272262233							-56658391	
	Net of un-allocable income							146892657							63080022	
	Total Profit before tax							-24892934							10,259,509	
	Provision for Taxation							171785591							52820513	
	Profit after tax															
3	OTHER INFORMATION															
	Segment Assets-Fixed / Current Assets/Investments	339164271	339702273	1200064363	51117102	97227066	-	2027275075	338295828	404966341	1135818242	47182288	80106432	-	2006369131	
	Unallocated Corporate Asset	-	-	-	-	-	-	81571000	-	-	-	-	-	-	78370332	
	TOTAL ASSETS	339164271	339702273	1200064363	51117102	97227066	-	2108846075	338295828	404966341	1135818242	47182288	80106432	-	2084739463	
	Segment Liabilities-Term/ Current Liabilities	151357974	395162467	722967159	34253917	31154976	-	1334896493	168456926	426500960	799437252	35094514	32629500	-	1462119152	
	Unallocated Corporate Liabilities	-	-	-	-	-	-	700000	-	-	-	-	-	-	-	
	TOTAL LIABILITIES	151357974	395162467	722967159	34253917	31154976	-	1335596493	168456926	426500960	799437252	35094514	32629500	-	1462119152	
4	Capital Expenditure for the year	23846042	7967052	160107342	506123	24083183	-	216509742	79347124	16921962	766586790	-	36112243.6	-	898968120	
5	Depreciation for the year	32549721	15169340	76939511	530349	2040844	-	127229765	24178513	11314028	46483906	772595	9936859	-	92685901	
6	Other Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

41. The financial statement for the year ended 31 March 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statement for the year have been prepared as per revised schedule VI. Accordingly, the previous year figures have been classified to conform this year classification. The adoption of revised schedule VI for the previous year figures does not impact the recognition and measurement principles followed for the preparation of the financial statements.

42. The Companies (Accounting Standards) (Second Amendment) Rules 2011 has further amended AS-11, "The effects of changes in foreign exchange rates" vide Notification No. G.S.R 914(E) dated December 29, 2011 which amends the principal regulation published vide Notification No. G.S.R 739(E) dated December 7, 2006, and subsequently amended vide Notification No. G.S.R 212(E) dated March 27, 2008, G.S.R 225(E) dated March 31, 2009 and G.S.R 378(E) dated May 11, 2011. Before these amendments, AS-11 required the exchange gain/losses on the long term foreign currency monetary items in so far as they relate to the acquisition of depreciable Capital Asset to be charged off fully in the Profit & Loss Account. The amended AS-11 provides an irrevocable option to the company to add or deduct the exchange rate fluctuation on long term foreign currency monetary items from the cost of the Capital asset and depreciate the same over the balance life of the Capital asset. The amendment is applicable retrospectively from the financial year beginning on or after December 7, 2006. The Company had not earlier exercised the option as per above said principal regulation and opts not to exercise the option under Companies (Accounting Standards) (Second Amendment) Rules 2011 for accounting year ended on March 31, 2012 and accordingly has charged exchange difference related to the long term foreign currency monetary items to the statement of profit and loss.

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY. (Rs. In Lacs)

Name of Subsidiary Company	Extent of holding	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
Majestic IT Services Limited	100%	475	-412	632	579	--	45	-197	-	-197	-

The annual accounts of the subsidiary company and the related detailed information will be made available upon request by the investors of the company and of its subsidiary company. These documents will also be available for inspection by any investor at the Registered Office of the Company at Majestic Auto Limited, C-48, Focal Point, Ludhiana - 141010, and of the subsidiary company.

MAJESTIC AUTO LIMITED

Registered Office : C-48, Focal Point, Ludhiana - 141 010

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at entrance of the Meeting Hall)

I/We hereby record my/our presence at the Annual General Meeting being held on Friday the 28th day of September, 2012 at 11.00 A.M. at the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana - 141 010.

Name of the Shareholder/Proxy _____ Folio No. _____

Address _____

No. of Shares Held _____

Signature of Shareholder / Proxy*

*Strike out whichever is not applicable

MAJESTIC AUTO LIMITED

Registered Office : C-48, Focal Point, Ludhiana - 141 010.

PROXY FORM

I / We _____

of _____ being a member / members of Majestic Auto

Limited hereby appoint Shri / Smt. _____

of _____

or failing him / her _____

of _____

as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Friday the 28th day of September, 2012 at 11.00 A.M. at the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana - 141 010.

Signed this _____ day of _____ 2012

Signature _____

Address _____

Folio No. _____

Affix
Revenue
Stamp here

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself.
2. The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

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