

September 6, 2020

To

The Manager
BSE Limited
25th Floor
Phiroze JeeJeebhoy Towers
Dalal Street
Mumbai-400001

Dear Sirs,

Sub: Annual report for FY 2019-20 and notice of Annual General meeting of Company

Ref: Scrip Code – BSE: 500267

With reference to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Annual report for FY 2019-20.
2. Notice of Annual General meeting to be held on September 30, 2020 via video conference/other audio visual means.

The above documents are also available on the website of the company at the following weblink:

http://majesticauto.in/cwd_hero/images/files/78958252_239_.%20Annual%20Report%202020_final

Kindly take the above on record.

Thanking You

For Majestic Auto Limited

Juhi Garg

Company Secretary & Compliance Officer

Encl: As above

2019
2020


MAJESTIC



47th
ANNUAL
REPORT

MAJESTIC AUTO LIMITED

MAJESTIC AUTO LIMITED

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INVESTOR INFORMATION

Market Capitalisation

 INR 100.86 Cr (4th September, 2020)

BSE Code

500267

BSE Symbol

MAJESAUT

AGM Date

 Wednesday, 30th September, 2020

AGM via Video Conferencing



CHAIRMAN'S & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I hope that you, your families and relatives are safe and doing well. I write to you amidst uncertain times. The global spread of COVID-19 and India's lockdown has created an economic environment filled with uncertainty and risk. Our first priority has been to ensure that our workforce is safe. For our employees, we have maintained salary levels and avoided any layoffs.

While we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. With new class of collaboration tools, people are discovering that they are able to collaborate with each other just as well working from home, as they did in person in the pre-COVID era. Employers are discovering that the productivity is just as good, if not better, in this new way of working.

The Financial year 2019-20 commenced with the appointment of a new government at the centre with an emphatic victory. In the second tenure, the government got into action by allowing FII's to invest in NBFCs, giving incentives for affordable housing, corporate tax cuts, and various measures to put more money in the hands of the people. The reforms initiated for the economy and for the real estate sector in the past few years have resulted in formalization within the industry and increased accountability and transparency for the end-customer.

As the world battles the pandemic challenges, the initiatives announced by the Government, the RBI and the Finance Ministry to provide stimulus to the economy are highly commendable. COVID-19 is the story of our era which will be remembered and documented for teaching us to be self-reliant.

On the business side, the Office Space Leasing was at all time high during 2019, rose by 22% at around 50-60 million sqft in seven major cities of India. However, due to COVID-19 pandemic real estate sector is likely to be impacted due to nationwide lockdown as market experts see short term effect on demand-supply of office and rental spaces, besides pressure on rental values.

But a certain level of normalcy is expected in the second half of the year as the companies gradually resume their operations as the government is focusing of 'Make in India' campaign, there might be a possible shift of MNC's to India. Thus, we are expecting numerous opportunities in future.

Your company ventured into leasing industrial set up in 2019-20. The utilities and facilities management business supports and complements the lease business.

Keeping in mind the need of the hour your company is planning to focus on providing office environment that is safe- fostering health and wellness –and a place where individual feel safe, comfortable and productive. The company will ensure the best safety standards are being followed.

Looking forward, your company is also planning to focus on activities like acquisition of building/land, obtaining approvals, project planning from execution to launch, refurbishing, sales & marketing and leasing.

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

On behalf of fellow Directors and Majestic family, I sincerely appreciate the faith and trust that you have bestowed on us during the last year and over the lockdown period.

Stay safe & healthy
Best wishes,

Mahesh Munjal
Chairman & Managing Director

EXECUTIVE DIRECTORS OF THE COMPANY

MAHESH MUNJAL (Chairman & Managing Director)

Sh. Mahesh ChanderMunjhal was appointed as a Director of the Company w.e.f. 29.06.1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and re-designated as the Managing Director of the Company w.e.f. 29.7.1999. He carries with him enriched experience of 32+ years of running Industries. Before joining as a Director of the Company, Sh. Mahesh ChanderMunjhal was Executive Director of Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited. He is Graduate Engineer. He is member of various trade and management bodies. He is working as Executive Director / Managing Director of the Company since 1993.

AASHIMA MUNJAL (Joint Managing Director)

Ms. AashimaMunjhal joined the Company on August 14, 2010 as Director of the Company. She is also Managing Director of Majestic IT Services Limited, a wholly owned subsidiary of the Company. Ms. AashimaMunjhal is 39 years old and has a Master of Science in Engineering Degree and Bachelors in Computer Science from John Hopkins University, USA. Previously she has worked with the centrefor networking and Distributed Systems at John Hopkins University, Unisys Corporation and the Veteran Health Administration in the United States of America. She is doing great with the Real Estate, Office Space Leasing and Facility business. She is also on the board of John Hopkins India Foundation since 2019.

AAYUSH MUNJAL (Whole Time Director)

Mr. AayushMunjhal, is a Bachelor of Science in Computer Science from Washington University in St. Louis, USA. After graduation he worked at Microsoft Corporation in Redmond, Washington, USA. He joined the Company on 01.06.2011 as Chief Technology Officer and was looking after the plant at Greater Noida unit of the company.

INDEPENDENT DIRECTORS OF THE COMPANY

VIKAS NANDA (Chairman of Audit Committee)

Mr. Vikas Nanda has nearly 42+ years of experience in Banking and Finance. After obtaining degree in Mechanical Engineering, he gained core banking skills early as Probationary Officer with State Bank of India; thereafter, he has managed senior level assignments with SBI, American Express Bank and Bank of America. He has been Managing Director of two Companies engaged in the business of financial services. He has also served on international boards, overseeing group businesses in Asia. He was one of the founders of the Factors Association of India and has been its Director since 2009 till 2018. He is also on the board of International Asset Reconstruction Company Private Limited.

NAVEEN JAIN (Chairman of Nomination & Remuneration Committee)

As a Hospitality professional with over 35 years of experience and a Chartered Accountant by profession, Mr. Naveen Jain has held several leadership positions across various functions with leading hotel companies. He is currently the Managing Director of Nouvelle Knowledge Services and is member on the Board within Hospitality, Food & Beverage, Retail and Service Organizations. He is also Angel & Strategic advisor to new startups in the service industry. He has worked with leading hotel companies namely The Oberois and The Leela Hotels leading several functions including hotel investments, treasury, corporate finance, operational finance, project execution & general management making significant contribution and adding value to the organizations.

SHAM LAL MOHAN*¹

Mr. S.L. Mohan has nearly 45+ years of experience in Banking industry. He has done B.Sc in Engineering and AIII(General) from Insurance Institute of India, Mumbai. He has been a Director on the board of many big Companies and is continuing to do so. He was the Chairman and Managing Director of Oriental Insurance Co. Ltd. from 2002 to 2005. He was also the Secretary General of General Insurance Council from November 2008 to October 2011. He has also been the head/member of various committees/panels set up by FICCI and CII in respect to various insurance reforms. He has also acted as Sole Arbitrator, Presiding Arbitrator and Co-Arbitrator in a number of Arbitration cases related to Insurance/Reinsurance.

ANIL KUMAR SHARMA*²

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

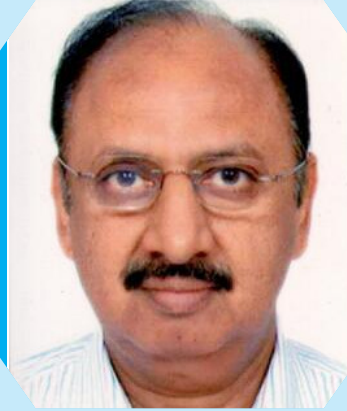
Note: *¹ Mr. S.L Mohan was appointed as Additional Director of the Company w.e.f. April 18, 2019 which got approved by the members in the general meeting held on 28092019.

*² Mr. Anil Kumar Sharma was appointed as Additional Independent Director of the Company w.e.f. August 12, 2019 which got approved by the members in the general meeting held on 28092019.

BOARD OF DIRECTORS



Ms. Aashima Munjal,
Joint Managing Director



Mr. Mahesh Munjal,
Chairman & Managing Director



Mr. Naneen Jain,
Independent Director



Mr. Vikas Nanda,
Independent Director



Mr. Sham Lal Mohan,
Independent Director



Anil Kumar Sharma,
Independent Director



Mr. Aayush Munjal,
Whole Time Director

CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Rajpal Singh Negi

Company Secretary & Compliance Officer

Ms. Juhi Garg

Statutory Auditors

M/s SAR & Associates

Internal Auditors

M/S S.Tandon & Associates

Secretarial Auditors

M/S PKB & Associates

Registered Office

10, Southern Avenue,
Maharani Bagh,
New Delhi

Corporate Office

A-110, Sector-4
Noida-201301

Audit Committee

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

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

Registrar & Transfer Agent

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

NOTICE OF 47th ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of the members of Majestic Auto Limited will be held on Wednesday, the 30th day of September, 2020 at 02.00 P.M. through video conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:-

ORDINARY BUSINESS:

Item no. 1: To receive, consider, approve and adopt Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the Report of Board of Directors and Auditors' thereon:

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

"RESOLVED THAT Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March 2020 along with Directors' Report, Independent Auditors' Report thereon be and are hereby received, considered, approved and adopted."

Item no. 2: To appoint Mr. Aayush Munjal (DIN:07276802), who retires by rotation and being eligible, offers himself for re-appointment as a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aayush Munjal (DIN: 07276802), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

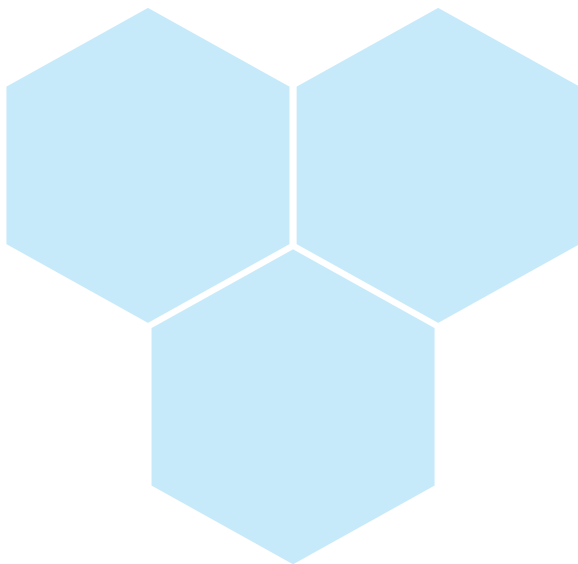
Place : Noida

Date : 29.08.2020

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

Regd. Office : Majestic Auto Limited,
10 Southern Avenue, First Floor,
Maharani Bagh, New Delhi-110065
Email: grievance@majesticauto.in,
Website: www.majesticauto.in
CIN: L35911DL1973PLC353132
Phone No. 0120-4348907

Sd/-
Juhi Garg
Company Secretary
& Compliance Officer



NOTES

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("ACT") SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the company is being held through VC/OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Institutional/Corporate members (i.e. other than Individuals/HUF/NRI) are required to send a scanned copy of (PDF/JPG format) of its board or governing body Resolution/Authorization etc authorizing its representative to attend the meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to nitinbhatia90@gmail.com with a copy marked to CDSL India.
5. Pursuant to Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Shares Transfer Books of the Company will remain closed from 23.09.2020 to 30.09.2020 (both days inclusive).
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission of transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical forms are requested to consider converting their holdings to dematerialized form. Members can contact the company or Company's Registrar and Transfer Agents, Alankit Assignments Limited in this regard.
7. To support the 'Green Initiative' members who have not yet registered email addresses are requested to register the same with their DP's in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
8. Members are requested to notify immediately any change pertaining to postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nomination, Power of Attorney, bank details such as name of the Bank and branch details, bank account number, MICR code, IFSC code to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios, if any.
9. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
11. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote at the AGM.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
13. The Company has designated an exclusive e-mail ID namely: grievance@majesticauto.in for receiving and addressing investors' grievances. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the company on or before 28th September, 2020 through email on grievance@majesticauto.in. The same will be replied by the company suitably.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
15. Notice of the AGM along with the Annual Report 2019-20 are being sent by electronic mode only to those members whose email addresses are registered with the company/depository participants(s). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.majesticauto.in website of the stock exchange i.e. Bombay Stock Exchange India Limited www.bseindia.com and on the website of CDSL India www.evotingindia.com
16. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online

application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

18. Members are requested to register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.

VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all the business to be transacted at the forthcoming Annual General Meeting. The instructions for e-voting are given herein below:

- The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members/depositories as at closing hours of business, 28.08.2020
- The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
- The Company has appointed Mr. Nitin Bhatia, Practicing Company Secretary, as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The remote e-voting period commences Sunday, September 27 at 9.00 a.m. (IST) and ends on Tuesday, September 29 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 22.09.2020, may obtain the login ID and password by sending a request at grievance@majesticauto.in.
- The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make not later than 48 hours from the conclusion of meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or a person authorized by him in writing who shall countersign the same.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.majesticauto.in and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

Instructions for Voting through electronic mode

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter folio number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID/Folio number in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

Note for Non – Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or you may also contact Mr.NitinKunder (022-23058738) or Mr.MehboobLakhani (022-23058543) or Mr.RakeshDalvi (022-23058542).

ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
(E-Voting Sequence No.) 200831077	16 Digit Demat Account No./Folio No. of Member holding shares in physical form	As per e-voting Instructions

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

1. Shareholder will be provided with a facility to attend the EGM/ AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **at least 3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Company has the discretion of admitting the number of speaker as per the time available for the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

Particulars	Mr. Aayush Munjal
Age and date of birth	32+ Years, November 13, 1987
Qualifications	Bachelor of Science in Computer Science from Washington University in St. Louis, USA
Experience (including expertise in specific functional area)/ Brief Resume	He is having the experience of more than 8+ years in running Auto Parts Industries and previously handling the Noida unit of the Company
Date of first appointment on the Board	August 14, 2015
Shareholding in the Company as on March 31, 2019	NIL
Relationship with other Directors/Key Managerial Personnel	He is the son of Sh. Mahesh Munjal, Chairman and Managing Director and brother of Ms. Ashima Munjal, the Whole Time Director of the Company
Number of meetings of the Board attended during the year	Details are given in Corporate Governance Report
Directorships of other Boards as on March 31, 2019	Details are given in Corporate Governance Report
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Details are given in Corporate Governance Report

BOARD'S REPORT

TO THE MEMBERS OF MAJESTIC AUTO LIMITED

Your Directors have pleasure in presenting you the 47th Annual Report on the business and operations of the company together with the Audited Results for the financial year ended March 31, 2020.

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from operations	3266.76	8145.58	6916.21	11670.26
Profit before Finance Cost and Depreciation Expenses	2083.62	5208.67	5297.34	8518.26
Finance Costs	504.97	610.49	2009.32	2160.74
Depreciation and Amortisation Expenses	212.30	79.42	924.69	698.55
Profit from ordinary activities before share of Profit/(Loss) of Associates	1366.35	4518.76	2363.33	5658.97
Profit before tax	1366.35	4518.76	2363.33	5658.97
Tax Expense	1148.64	(223.99)	4453.48	9.75
Profit for the year from continuing operations after tax	217.71	4742.75	(2090.15)	5649.22
Profit/(Loss) from discontinuing operations after tax	-	(1148.49)	-	(1148.49)
Profit for the year	217.71	3594.26	(2090.15)	4500.73
Attributable to:				
-Equity Shareholders of the Company	217.71	3594.26	(1602.52)	4360.27
-Non-controlling interests	N.A	N.A	(487.63)	140.46
Other Comprehensive Income	(7358.51)	(6992.76)	(7360.69)	(6999.11)
Total Comprehensive Income	(7140.80)	(3398.50)	(9450.84)	(2498.38)
Balance in Retained Earnings at the beginning of the year	19008.02	15417.71	20063.62	15713.65
Profit for the year (attributable to equity shareholders of the company)	217.71	3594.26	(1602.52)	4360.27
Remeasurement of defined Employee benefit plans)	(1.96)	(3.95)	(4.14)	(10.30)
Dividends including tax on dividend	Nil	Nil	Nil	Nil
Acquisition of non-controlling interests	NA	NA	Nil	Nil
Transferred to General Reserve	-	-		
Balance in Retained Earnings at the end of the year	19223.77	19008.02	18456.96	20063.62

DIVIDEND

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

RESERVES

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

CAPACITY UTILIZATION & PLANT OPERATIONS

The company has discontinued operations of manufacturing in the second half of the financial year 2017-18, which continues to prevail in the financial year 2018-19 & 2019-20. The company has diversified into facility management services, leasing of owned property, purchase, acquire, build & construct any property etc.

CHANGE IN SHARE CAPITAL

The paid up equity capital as on March 31, 2020 stands at Rs. 10,39,82,280/- consisting of 1,03,97,478 Equity Shares of Rs.10/- each with no change as compared to previous year.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

HOLDING COMPANY

The Holding Company, M/s Anadi Investments Private Limited is holding 77,57,687/- equity shares in the company of Rs. 10/- each equivalent to 74.61% of the paid up capital of the company as on 31st March 2020.

SUBSIDIARY COMPANIES

The Company has following Subsidiaries:

- Majestic IT Services Limited (MITSL)**, engaged in the business of Facility Management Services led by Ms. Aashima Munjal, Managing Director of the company. The Company managed to achieve revenue of **Rs. 6.76 Cr** in the FY 19-20.
- Emirates Technologies Private Limited (ETPL)**, whose 80% equity was acquired by the company in September 2015 has its operations in National Capital Region (Delhi NCR). The main objective for the acquisition was to diversify investments and operations of the company. The main objects of ETPL are in the business of Facility Management Services or related services.

MATERIAL SUBSIDIARIES

The Board of Directors of your company has approved a policy for determining material subsidiaries. At present, your company is having one material subsidiary named Emirates Technologies Private Limited as per the regulation 16(1)(c) of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The policy on Material Subsidiary can be viewed on company's website www.majesticauto.in at the following link http://majesticauto.in/cwd_hero/images/files/29033469_134_.pdf

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2020 and date of the report of the Company which affects the financial position of the Company.

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

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

BOARD OF DIRECTORS

CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- Mr. Sham Lal Mohan has been appointed as an additional Independent Director of the company on 18th April, 2019 which got approved by the shareholders in 46th Annual General Meeting of the company.
- Mr. Anil Kumar Sharma has been appointed as an additional Independent Director of the company on 12th August, 2019 which got approved by the shareholders in 46th Annual General Meeting of the company.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. Aayush Munjal, Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

DECLARATION BY INDEPENDENT DIRECTOR(S) FOR THE FINANCIAL YEAR 2020-21

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

The Company has received declarations from all the Independent Directors in accordance with Section 149 of the Companies Act, 2013, for the financial year 2020-21, that they meet the criteria of independence as laid out in Sub-Section (6) of Section 149 of the Companies Act, 2013.

Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Independent directors, as per the provisions of Regulation 16(1)(b) of the Listing Regulations, also confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their

duties with an objective independent judgment and without any external influence and that they are independent of the management.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Four (04) meetings of the Board of Directors of the Company were held in the financial year 2019-20. The details of the Board Meeting are mentioned in the Corporate Governance report (**Annexure VII**) as under. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF BOARD

i. Nomination & Remuneration Committee:

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

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

BOARD EVALUATION

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

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

ii. Audit Committee:

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

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

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The Board of Directors of the Company has, on the recommendation of the Audit Committee,

adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the regulations made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website of the Company i.e. www.majesticauto.in.

LISTING

The shares of your Company are listed at BSE Limited, and pursuant to Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Annual Listing fees for the year 2020-21 have not been paid as there are some changes in the billing details of the company. The Company has paid the annual custodian fees for the year 2020-21 in respect of Shares held in dematerialized mode to NSDL & CDSL.

DEPOSITS

Your company has neither accepted nor renewed any deposits during FY 2019-20 in terms of Chapter V of the Act.

ENVIRONMENTAL & QUALITY MANAGEMENT

During the time frame of manufacturing operations, the company has implemented the Environment Management System (EMS) ISO-14001:2004 and 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.

INSURANCE

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

RATINGS FOR BORROWINGS

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

DIRECTOR'S RESPONSIBILITY STATEMENTS

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

- In the preparation of the annual accounts, the applicable **Indian accounting standards (abbreviated Ind-AS)** have been followed for the year as prescribed under Section 133 of Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, in a simple and concise manner.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- The company has unabsorbed depreciation and business losses of Rs. 19,755.54 Lakhs (31 March 2019: Rs. 20,570.22 Lakh) which can be adjusted with future income. Hence, the company is only paying MAT to discharge its income tax liability and will do so in near future. So, the deferred tax has been provided as per MAT rate.

During the current financial year MAT rate has been reduced from 20.5868% to 16.6920% (includes surcharge and cess). So, the company has to adjust previously recognised deferred tax

according to new rate. Accordingly deferred tax of Rs. 1,069.69 Lakh has been charged to profit and loss account during the current financial year and break-up of the same is as under;

Particulars	Charged/ (Credit)
Liabilities	
Financial instruments measured at amortised cost	0.72
Straight lining of rental income-movement	17.08
Assets	
Minimum alternative tax credit	(72.90)
Employee benefits	1.13
Allowances for doubtful debts	2.16
Financial instruments measured at amortised cost	(0.07)
Property, plant and equipment and other intangible assets	17.59
Right of use assets	(1.42)
Conversion of capital assets into stock in trade	208.67
Unabsorbed business losses and depreciation	896.74
Total	1,069.70

- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS

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

STATUTORY AUDITORS

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

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

SECRETARIAL AUDIT

M/s PKB and Associates, Practicing Company Secretaries, Delhi, were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20 under Section 204 of the Indian Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for Financial Year 2019-20 is appended as an **Annexure I** to the Board's report. The Secretarial auditors' report for the year under review requires no comments.

As, one subsidiary of Majestic Auto Limited is material subsidiary and the Secretarial Audit report of the unlisted material subsidiary is also appended as well.

COST AUDIT

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

EXTRACT OF ANNUAL RETURN

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

REMUNERATION POLICY

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

PARTICULARS OF EMPLOYEES

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year under review, the Company was required to spend money on CSR activities but due to some unavoidable circumstances like COVID-19 pandemic, company was not able to spend the required amount.

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

CORPORATE GOVERNANCE

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

CONSOLIDATED FINANCIAL STATEMENTS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

RISK MANAGEMENT AND INTERNAL ADEQUACY

The Company has adequate risk management process to identify and notify the Board of Directors about the risks or opportunities that could have an adverse impact on the Company's operations or could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

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

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

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

ACKNOWLEDGEMENTS

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

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

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

For Majestic Auto Limited

Sd/-

Mahesh Munjal
Chairman

DIN No: 00002990

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

Date: 29th August, 2020

Place: Noida

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

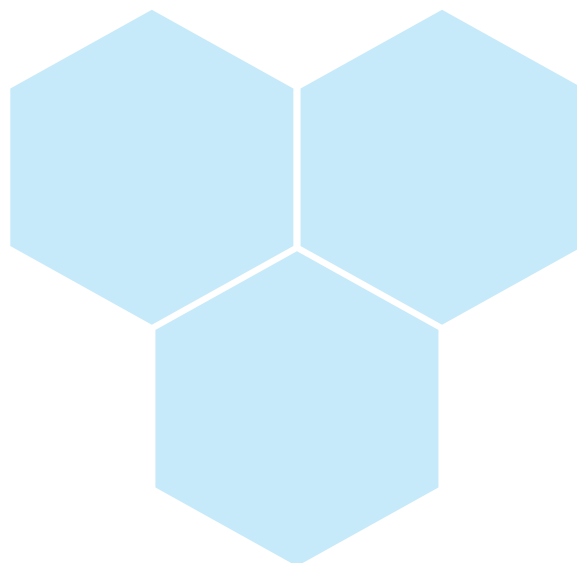
1. Details of contracts or arrangements or transactions not at arm's length basis: Majestic Auto Limited (the Company) has not entered into any contract/arrangement/ transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2020. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts/arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - (f) Date(s) of approval by the Board: Not Applicable
 - (g) Amount paid as advances, if any: Not Applicable
 - (h) Date on which the special resolution was passed in general meeting as required under rst proviso to Section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts/arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Date(s) of approval by the Board, if any: Not Applicable
 - (f) Amount paid as advances, if any: None

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

Noida
29th August, 2020

On behalf of Board of Directors

Mahesh Munjal
Chairman



Annexure – I

Form No. MR-3
(UDIN: F010606B000592649)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
MAJESTIC AUTO LIMITED
10 Southern Avenue, First Floor, Maharani Bagh
New Delhi -110065 IN

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

Based on our verification of Majestic Auto Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit for the year ended on **March 31, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the Financial Year ended March 31, 2020, in accordance to the provisions of:

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

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

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

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

1. **Due to unexpected demise of Dr. Mohamad Abdul Zahir, Non-Executive Independent Director on 8th November, 2018, vacancy occurred. Thereafter, the Company did not have requisite number of non-executive Directors including Independent Director in the Board till 18th April, 2019. However, same has been rectified in the First Board Meeting of 2019-2020 held on 18th April, 2019. Further, in this purpose, the Bombay Stock Exchange Limited (BSE) has imposed fine of Rupees 1,00,300/- (Rupees One Lakh and Three Hundred Only) including of GST of Rupees 15,300/- (Rupees Fifteen Thousand and Three Hundred Only) for the Quarter ended 30th June, 2019 under Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**
2. **The Company could not submit Annual Report to the Stock Exchange under the Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the specified time framed. Further, the Bombay Stock Exchange (BSE) has imposed fine of Rupees 61,360/- (Rupees Sixty-One Thousand Three Hundred and Sixty Only) and waived the same.**

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, during the year, the Company has appointed Mr. Sham Lal Mohan and Mr. Anil Kumar Sharma as Independent Directors on 18th April, 2019 and 12th August, 2019 respectively.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period:

- 1) The Company has changed its Registered office from the State of Punjab to the National Capital Territory (NCT) of Delhi with approval of the Regional Director, Northern Region.
- 2) The Company has availed credit facility of Rupees 1,00,00,000/- (Rupees One Crore) from HDFC Bank for complying with the requirement of Bank Guarantee for submission of Resolution Plan in the matter of Sharan Hospitality Private Limited.
- 3) The Company has availed credit facility of Rupees 1,00,00,000/- (Rupees One Crore) from HDFC Bank for complying with the requirement of Bank Guarantee for submission of Resolution Plan in the matter of Prius Commercial Projects Private Limited.

Place: New Delhi
Date: 29th August, 2020

For PKB & Associates,
Company Secretaries
Firm Registration Number: S2015RJ312100

Sd/-
Pawan Barodiya
FCS No.: 10606
COP No.: 14435

UDIN: F010606B000592649

Note:

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

Annexure -A

To,
The Members,
MAJESTIC AUTO LIMITED
10 Southern Avenue, First Floor, Maharani Bagh
New Delhi -110065 IN

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

Management Responsibility:

1. It is the responsibility of Management of the Company to maintain Secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws, rules and regulation and to ensure that the systems are adequate and operate effectively.

Auditor Responsibility:

1. Our responsibility is to express an opinion on these Secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. Further, we have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Disclaimer:

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

Place: New Delhi
Date: 29th August, 2020

For PKB & Associates,
Company Secretaries
Firm Registration Number: S2015RJ312100

Sd/-
Pawan Barodiya
FCS No.: 10606
COP No.: 14435

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(UDIN: F010606B000592726)**

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

To,
The Members,
MAJESTIC AUTO LIMITED,
 10 Southern Avenue, First Floor, Maharani Bagh
 New Delhi -110065 IN

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Mahesh Munjal	00002990	29/06/1993
2.	Ms. AashimaMunjal	00050716	14/08/2010
3.	Mr. AayushMunjal	07276802	14/08/2015
4.	Ms. Vikas Nanda	00106264	14/02/2017
5.	Mr. Naveen Jain	00051183	10/08/2018
6.	Ms. Sham Lal Mohan	00028126	18/04/2019
7.	Mr. Anil Kumar Sharma	01157106	12/08/2019

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

Place: New Delhi
 Date: 29th August, 2020

For PKB & Associates,
 Company Secretaries
 Firm Registration Number: S2015RJ312100

Sd/-
 Pawan Barodiya
 FCS No.: 10606
 COP No.: 14435

Form No. MR-3

(UDIN: F010606B000592649)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Emirates Technologies Private Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. The Company is Material Un-listed Subsidiary of M/s Majestic Auto Limited for the period ended 31st March, 2020.

Based on our verification of Emirates Technologies Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit for the year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the Financial Year ended March 31, 2020, in accordance to the provisions of:

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

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

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

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

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

- 3. Being an Un-listed Company, the Acts referred in clause II, III, and V as mentioned above are not applicable to the Company. Further, the Acts referred in clause IV as mentioned above are not applicable to the Company for the Audit period.
- 4. Being an Un-listed Company, there is no listing agreement entered into by the Company with any Stock Exchange.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors of the Financial year 2019-20. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that during the audit period:

- 4) The Company has altered its Object Clause of the Memorandum of Association with the approval of the Members of the Company.
- 5) The Company has appointed Ms. MadhviTuli as Company Secretary of the Company with effect from 7th February, 2020.

Place: New Delhi
Date: 29th August, 2020

For PKB & Associates,
Company Secretaries
Firm Registration Number: S2015RJ312100

Sd/-
Pawan Barodiya
FCS No.: 10606
COP No.: 14435

UDIN: F010606B000592649

Note:

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

Annexure -A

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

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

Management Responsibility:

1. It is the responsibility of Management of the Company to maintain Secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws, rules and regulation and to ensure that the systems are adequate and operate effectively.

Auditor Responsibility:

1. Our responsibility is to express an opinion on these Secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. Further, we have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Disclaimer:

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

Place: New Delhi
Date: 29th August, 2020

For PKB & Associates,
Company Secretaries
Firm Registration Number: S2015RJ312100

Sd/-
Pawan Barodiya
FCS No.: 10606
COP No.: 14435
Annexure -A

ANNEXURE II

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2020

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

I. REGISTRATION & OTHER DETAILS:

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

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

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Facility Management Services	68100	85.93%
2	Revenue from sale of Land and constructed properties	68100	14.05%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	40421	-	40421	0.39	40421	-	40421	0.39	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7757687	-	7757687	74.61	7757687	-	7757687	74.61	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	7798108	-	7798108	75.00	7798108	-	7798108	75.00	-
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) other individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters A=A(1)+A(2)	7798108	-	7798108	75.00	7798108	-	7798108	75.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	669	2109	2778	0.03	669	2109	2778	0.03	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	2251	2251	0.02	-	2251	2251	0.02	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	669	4360	5029	0.05	669	4360	5029	0.05	-
2. Non- Institutions									
a) Bodies Corp.									
Indian	194386	4021	198407	1.91	122513	4021	126534	1.22	(0.69)
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share Capital upto Rs. 2 lakh	1441358	139790	1581148	15.21	1402654	133081	1535735	14.77	(0.43)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	708201	-	708201	6.81	811075	-	811075	7.80	0.99
c) Others									
Non Resident Indians	23801	766	24567	0.24	20334	191	20525	0.19	(0.05)
Clearing Members	10092	-	10092	0.1	22693	-	22693	0.22	0.12
Trusts	-	95	95	0.00	-	95	95	0.00	-
HUF	71831	-	71831	0.69	77684	-	77684	0.75	0.06
Sub-total (B)(2):-	2449669	144672	2594341	24.95	2456953	137388	2594341	24.95	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	2450338	149032	2599370	25.00	2457622	141748	2599370	25.00	0.00
C. Shares held by Custodian for GD Rs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10248446	149032	10397478	100.00	10255730	141748	10397478	100	-

B) Shareholding of Promoters-

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

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	At the beginning of the year	7798108	74.61%	7798108	74.61%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	7798108	74.61%	7798108	74.61%

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year i.e. 31.03.2019		No. of shares held at the end of the year i.e. 31.03.2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	Anil Kumar Goel	200000	1.92	200000	1.92
2	Dipak Kanayalal Shah	161000	1.54	155200	1.49
3	Nishith Ramesh Parekh	0	0	150043	1.44
4	Varsha Ramesh Parekh	0	0	120545	1.15
5	Mahendra Girdharilal	32290	0.31	32290	0.31
6	Majestic Auto Ltd Unclaimed Suspense A/C	30607	0.29	30560	0.29
7	Amit Jain	37182	0.35	36606	0.35
8	Narendra Athnikar	0	0	22672	0.21
9	VISALAKSHY VITTAL NATHAN	3000	0.02	23958	0.23
10	SachidanandMadan	23241	0.22	23241	0.22

E) Shareholding of Directors and Key Managerial Personnel:

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

- No Director or KMP held any share of the Company during the financial year 2019-20.

V. INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs in Lacs)

Indebtedness at the beginning of the financial year	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	6670.82	-	-	6670.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6670.82	-	-	6670.82
Change in Indebtedness during the financial year				
Addition	11565.30	-	-	11565.30
Reduction	(13468.57)	-	-	(13468.57)
Net Change	(1903.27)	-	-	(1903.27)
Indebtedness at the end of the financial year				
i) Principal Amount	4767.55	-	-	4767.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.50	-	-	7.50
Total (i+ii+iii)	4775.05	-	-	4775.05

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

Sr. No.	Particulars of Remuneration	Mahesh Munjal (Managing Director)	Aayush Munjal (Whole Time Director)	Aashima Munjal (Whole Time Director)	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	115.33	45.16	-	160.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.02	0.40	-	10.42
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit Others specify...	-	-	-	-
5.	Others, please specify PF & Superannuation Fund	0.80	0.60	0.80	2.20
	TOTAL	126.15	46.16	0.80	173.11

B. Remuneration to other directors

(Rs. In Lacs)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Vikas Nanda	Mr. Naveen Jain	*Mr. S.L Mohan	*Mr. Anil Kumar Sharma	
1	Independent Directors					
	Fee for attending board /committee meetings	1.08	1.20	0.98	0.60	3.86
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (1)	1.08	1.20	0.98	0.60	3.86
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (2)	-	-	-	-	
	Total (B)=(1+2)	1.08	1.20	0.98	0.60	3.86
	Total Managerial Remuneration	-	-	-	-	
	Overall Ceiling as per the Act	-	-	-	-	

*Mr. S.L Mohan was appointed as Additional Director of the Company w.e.f. April 18, 2019 and Mr. Anil Kumar Sharma was appointed as Additional Independent Director of the Company w.e.f. August 12, 2019.

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

Sr.No.	Particulars of Remuneration	Juhi Garg (Company Secretary)	Rajpal Negi (CFO)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.64	10.60	17.24
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commissions % of profitOthers, specify...	-	-	-
5.	Others, please specify PF & Superannuation Fund	-	-	-
	TOTAL	6.64	10.60	17.24

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For Majestic Auto Limited

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

ANNEXURE III

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

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

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

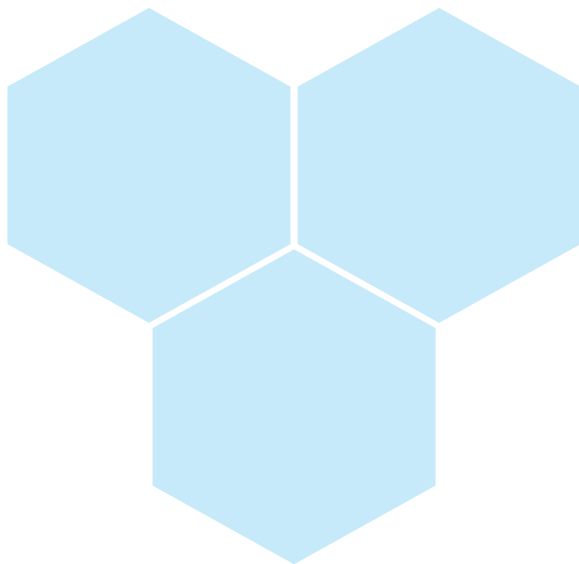
2. ROLE OF COMMITTEE

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

The Committee shall:

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

Note: The detailed Nomination & Remuneration policy of the company is uploaded at the website of the company at the following link: http://majesticauto.in/cwd_hero/images/files/33869752_213_.pdf



Annexure IV

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

1.

Name of Directors /KMP and designation	The Ratio of the remuneration of Executive Director to the median remuneration of the employees of the company for the financial year.	The percentage increase/decrease in remuneration of each executive director and KMP in the financial year.
Mahesh Munjal, (Managing Director)	49.81:1	11.22%
Aayush Munjal, (Whole time Director)	21.15:1	26.88%
Juhi Garg (Company Secretary)	3.93:1	-
Rajpal Negi, (Chief Financial Officer)	6.28:1	-

Note:

- The Non- Executive independent Directors are paid only sitting fees for attending the meetings of the Board and its Committees. The Non- Executive (non- independent) Directors of the Company do not receive any remuneration from the Company. The ratio of remuneration and percentage increase in remuneration of these directors is therefore not considered for the above*MRE-Median Remuneration of Employee based on annualized salary
 - In the financial year, there was an increase of 35% in the median remuneration of employees;
 - There were 21 permanent employees on the rolls of the Company as on March 31,2020.
 - It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
2. (i) Employed throughout the Financial year and were in receipt of remuneration at the rate of not less than Rs.1,26,15,000 per annum

Name of Employee	Designation of the employee	Remuneration Received in 2019-20 (Rs.in lac)	Qualification	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Sh.Mahesh Munjal	Managing Director	126.15	Bachelor in Engineering.	39	29.06.1993	65	Munjal Auto Industries Ltd.	Nil

Annexure V

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

In China, the containment efforts such as quarantine and widespread restrictions on travel, have resulted in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. With the existing slowdown visible across the globe, the pandemic is expected to have severe consequences on the world economy leading to lay-offs, reduction in capex by companies and delay in discretionary purchases. The economic activity in U.S. and Eurozone economies is expected to fall sharply as these economies undertake measures to contain the outbreak.

INDIAN ECONOMY

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17 years, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

According to the Asian Development Bank, India's GDP growth is projected to contract by 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 40 bps to 4.0% in May 2020, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19. The central bank has undertaken open market operations and US dollar-rupee swaps to ensure adequate rupee and dollar liquidity during the recent global

sell-off. While there is gloom in the near term with the unprecedented situation led by the outbreak, domestic demand will rebound strongly once the pandemic passes and full economic activity resumes. The historical corporate tax cuts introduced in September 2019 are expected to encourage domestic and foreign private investments in the long run. Also, the alternative tax regime introduced in the latest budget is expected to increase household disposable income, thereby boosting private consumption, and potentially expanding the tax base. FY20 inflation stood at 4.8%, below the RBI's upper target limit and is expected to fall further in the current year with declining crude prices and slump in domestic demand, making the rate cuts more favorable. Prices for some manufacturers are likely to increase with supply disruption and rupee depreciation. The country's exports of goods and services are expected to improve once the global economies recover from the shocks of the pandemic. While the long term outlook looks robust for the country, a prolonged COVID19 pandemic would push the global economy into deep recession and further slow Indian growth.

REAL ESTATE SECTOR

The Indian real estate sector has been trying to get back on its feet and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years. Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research.

Over-reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NFBCs to bring down their exposure to real estate sector. The share of NBFC loans to real estate which plunged to 46% of total credit to real estate sector in 2018-19, is expected to further come down. Current coronavirus outbreak is expected to derail the sector's growth momentum in the short term due to its impact on the overall slowing economy. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post COVID19 lockdown.

While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation. The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

OFFICE MARKET

The Indian office market has been fairly resilient from the broad macro concerns due to slowdown in the economy and gained strong traction in CY2019 with record supply hitting the market during the year, according to a report by Knight Frank.

Office space leasing across India's six major cities rose by 22% to record 57.7 million sq. feet (gross) during 2019 on strong demand for workspaces from corporates, especially Americans but pace of growth is likely to moderate to 7-8% this year, according to global property consultant savills.

The commercial segment, especially the office space market is going from strength to strength, beating its own record of 47.3 million square feet in 2018 to set a new one at 57.7 million sq. feet in 2019.

Of the total leasing, 40% absorption was from US corporations, 30% from European companies and 30% from domestic companies.

Hyderabad saw an increase of 53% in office space leasing at 9.5 million sq. feet in 2019. Chennai reported 60% rise in absorption of office space at 8 million sq. ft, Bengaluru at 15.6 million sq. ft, while Delhi NCR witnessed 14% growth at 10.89 million sq. ft.

However, due to COVID-19 pandemic office space leasing may fall by around 30 per cent during 2020.

Talking about the trend in the office market, corporates have cut their requirements for office space in area terms by 20 per cent and are also negotiating for better terms, such as increased rent-free period for doing interiors before occupying the space. The rentals for renewals, too, are being re-evaluated.

Moreover, the corporates have started adopting the 'work for home' in their HR policies, as a result around 15 per cent of corporate workforce are expected to work from home at any given point of time. The 'work for home' policy would have an adverse impact on office demand, he said but added that the need for larger space to maintain social distancing could compensate some of the possible loss in demand.

REVIEW OF OPERATIONS

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

Lease Business

Your company ventured into leasing industrial set up in 2019-20 in Greater Noida and has a MNC client occupying 1 lac square feet. Moreover, company's lease business is also done through its subsidiary **Emirates Technologies Private Limited** which involves leasing of its developed offices and retail properties. One of the key objectives of its lease business is to achieve returns from investments in its portfolio properties within a targeted timeframe. Another key objective is to achieve high occupancy rates for the leased portfolio properties. The utilities and facilities management business supports and complements the lease business.

As at 31st March 2020, your company's lease business comprised completed offices with leasable area of around 95% occupancy.

Facility Management Business

Your company's Facility management business is done through the holding Company **Majestic Auto Limited** which involves support services for the building owned by subsidiary company Emirates Technologies Private Limited at Sector-62, Noida.

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



Annexure VI

Annual Report on Corporate Social Responsibility (CSR)

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy is stated in the below mentioned web link:

http://www.majesticauto.in/cwd_hero/images/files/48738849_110_.pdf

2. Composition of CSR Committee:

- Sh. Mahesh Munjal, Managing Director, Chairman
- Mr. Vikas Nanda, Independent Director, Member
- Ms. Aashima Munjal, Joint Managing Director, Member

3. Average net profit of the company for last three financial years (Rs.inlac)

Particulars	YEAR ENDED			
	31.03.2019	31.03.2018	31.03.2017	Average
Net Profit	(32,56,21,000)/-	(15,65,09,000)	(25,47,25,000)	(2,85,00,000)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) NIL

5. Details of CSR spent during the financial year.

- Total amount spent for the financial year; **NA**
- Amount unspent, if any; **NA**
- Manner in which the amount spent during the financial year: **NA**

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Company considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. Company's CSR initiatives are on the focus areas approved by the Board benefitting the community.

As, the average of the three years has come out as a loss so company is not obliged to spend any amount as CSR expenditure.

The Company is fully committed to the government's vision of corporate's social responsibility towards the society and is taking all the efforts for India's sustainable development by embedding wider economic, social and environment objectives.

7. The CSR Committee do hereby undertakes that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Noida

Date : 29 August, 2020

(Mahesh Munjal)

Managing Director & Chairman

Annexure - VII

CORPORATE GOVERNANCE REPORT

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

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

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

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

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 composition of the Board of your Company was in conformity with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2020. The Board comprises of 4 Directors being non-executive Independent Directors, one Managing Director and two Whole Time Directors including one Women Director. Based on the confirmation/ disclosures received from the Directors of the Companies none of the Directors on the Board of more than twenty (20) Companies or a Director in more than ten (10) public companies or holds memberships in committees of the Board in more than ten (10) committees or chairmanship of more than five (5) committees.

During the financial year 2019-20 four Board Meetings were held on April 18, 2019, August 12, 2019, November 8, 2019 and February 7, 2020. The Board Members were given agenda papers along with necessary documents and information in advance of each Board and other committee meetings.

The composition of the Board of Directors, attendance at the Board Meetings, attendance at last Annual General Meeting of the Company and the details of Directors of the Company having directorship in other companies, membership / chairmanship of committees across all companies in which they are directors during the financial year 2019-20 are given below :

Sl. No.	Name of the Director (DIN)	No. of Board meetings attended	Attendance at Last AGM	Total number of Committee Membership Held	Total number of Committee Chairmanship Held	Number of other Directorship held
				(excluding Private Companies, Foreign Companies & Section 8 Companies)		
	Executive Directors					
1.	Mr. Mahesh Munjal (Managing Director)	4	Yes	2	-	2
2.	Mr. AayushMunjal (Whole Time Director)	3	Yes	-	-	1
3.	Ms. AshimaMunjal (Whole Time Director)	4	Yes	2	-	2
	Non-Executive and Independent Directors					
4.	Mr. Vikas Nanda	4	Yes	5	4	2
5.	Mr. Naveen Jain	4	No	7	2	7
6.	Mr. S.L Mohan	4	Yes	5	1	4
7.	Mr. Anil Kumar Sharma	3	No	0	0	1

- Mr. S.L. Mohan has been appointed as Additional Independent Director of the Company w.e.f. April 18, 2019
 - Mr. Anil Kumar Sharma has been appointed as Additional Independent Director of the Company w.e.f. August 12, 2019
- A. Independent Directors have no pecuniary relationship with other Directors of the Company. None of the Director of the Company is related to each other except Ms. AashimaMunjal is daughter and Mr. AayushMunjal is son of Mr. Mahesh Munjal, who is the Chairman and Managing Director of the Company. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/

Investors Grievance Committees. None of the Directors on the Board serve as Independent Director in more than seven listed companies. The Company did not advance loan to any of its Director during Financial Year 2019-20.

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

DETAILS OF BOARD MEETING HELD DURING THE FINANCIAL YEAR 2019-20

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	18.04.2019	6	6
2.	12.08.2019	7	7
3.	08.11.2019	7	6
4.	07.02.2020	7	7

INDEPENDENT DIRECTORS CONFIRMATION & NUMBER OF INDEPENDENT DIRECTORSHIP

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

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

BOARD EVALUATION

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

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

INFORMATION SUPPLIED TO THE BOARD

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

CODE OF CONDUCT

The Company has adopted a "Code of Conduct" for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.majesticauto.in. All Board members and senior

management have affirmed compliance with the Code of Conduct. The declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this report.

CEO/CFO Certification

In terms of Regulation 17(8) and Part -B of Schedule II of the LODR, CMD and the CFO of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2020.

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

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

In the financial Year ended 31st March, 2020, four meetings of Audit committee were held on April 18, 2019, August 12, 2019, November 8, 2019 and February 7, 2020. The Composition of the Audit Committee and attendance record of members of the Audit Committee for the financial year 2019-20 is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. Vikas Nanda (Chairman)	(Non-Executive and Independent Director)	4
Mr. Naveen Jain	(Non-Executive and Independent Director)	4
Mr. S.L Mohan	(Non-Executive and Independent Director)	4

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

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

IV. Nomination and Remuneration Committee

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

During this financial year one (2) Nomination and Remuneration Committee meeting were held. The details of meeting of the Nomination and Remuneration Committee for the financial year 2019-20 is as under:

Director	Category	No of Remuneration Committee meeting Attended
Mr. Vikas Nanda	Non-Executive and Independent Director	2
Mr. Naveen Jain	Non-Executive and Independent Director	2
Mr. S.L Mohan	Non-Executive and Independent Director	2

A) The details of remuneration paid to Directors for the Financial Year 2019-20 are furnished below (Managing Director and Whole Time Director):

(Rs. In Lacs)

Name	Salary and other perquisites	Commission	Total
Mahesh Munjal (Managing Director)	126.15	-	126.15
Aayush Munjal (Whole Time Director)	46.16	-	46.16
Total	172.31	-	172.31

NOTES:

- Re-appointment of Mr. Mahesh Munjal, Managing Director of the Company for a period of 3 years w.e.f. October 29, 2018 was approved by the members of the Company in the previous Annual General Meeting held on September 28, 2018 by way of passing a special resolution.
 - Re-appointment of Mr. Aayush Munjal, Whole Time Director of the Company for a period of 3 years w.e.f. August 14, 2018 was approved by the members of the Company in the previous Annual General Meeting held on September 28, 2018 by way of passing a special resolution.
 - The Company has appointed Ms. Aashima Munjal as Joint Managing Director of the company with effect from 01.10.2016 for five years which will be completed on 30.09.2021
- B) The details of the sitting fees paid to the Non-Executive Directors of the Company during the financial year 2019-20 are given below:

(Rs. In Lacs)

Particulars of Remuneration	Name of Directors				Total Amount
	Vikas Nanda	Naveen Jain	S.L Mohan	Anil Kumar Sharma	
Independent Directors					
Sitting fees	1.08	1.20	0.98	0.60	3.86
Commission	-	-	-	-	
Others, please specify	-	-	-	-	
Total	1.08	1.20	0.98	0.60	3.86

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

Name of the Director	Category	No. of Shareholders/ Investors' Grievance Committee Meetings Attended
Mr. Vikas Nanda	Chairman	1
Mr. Mahesh Munjal	Member	1
Ms. Aashima Munjal	Member	1

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

Name, designation and address of the Compliance Officer

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

VI. Corporate Social Responsibility (CSR) Committee

Majestic Auto has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013.

The members of the CSR committee are:

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

During the financial year 2019-20 one meeting was held on 8th November, 2019 to see whether there is any CSR amount which

needs to be spend or not but there was an average loss of the preceeding three years and no amount needs to be spent as CSR expenditure.

VII. Independent Directors Committee

During the Financial Year ended 31st March, 2020, one meeting of committee was held on February 7, 2020. The Composition of the Committee and attendance record of members for the financial year 2019-20 is as under:

Name of the Director	Category	No. of Independent Director Committee Meeting Attended
Mr. Vikas Nanda	(Non Executive and Independent Director)	1
Mr. Naveen Jain	(Non Executive and Independent Director)	1
Mr. Anil Kumar Sharma	(Non Executive and Independent Director)	1
Mr. S.L. Mohan	(Non Executive and Independent Director)	1

- Mr. S.L. Mohan has been appointed as Additional Independent Director of the Company w.e.f. April 18, 2019
- Mr. Anil Kumar Sharma has been appointed as Additional Independent Director of the Company w.e.f. August 12, 2020

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

There have been no such instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2019-20.

VIII. General Body Meetings

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

(i) Annual General Meetings

Year	Location	Date	Time	Special Resolutions Passed
2016-17	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 29, 2017	11.00 A.M.	<ul style="list-style-type: none"> To Regularize Mr. Vikas Nanda, Additional Director of the Company as an Independent Director.-Appointment of M/s Manoj and Associates, Practicing Cost Accountants as cost auditor of the Company.
2017-18	At the premises of Mohini Resorts, Near Sector-32, Chandigarh Road, Ludhiana-141010	Sept. 28, 2018	11.00 A.M.	<ul style="list-style-type: none"> Appointment of Mr. AayushMunjal as Whole Time Director -Appointment of Mr. Mahesh Munjal as Managing Director-Shifting of Registered Office of the Company from the state of Punjab to NCT of Delhi
2018-19	At the premises of PHD Chambers, August Kranti Marg, New Delhi	Sept. 28, 2019	11:00A.M	<ul style="list-style-type: none"> Appointment of Mr. Sham Lal Mohan as an Independent Directors of the Company-Appointment of Mr. Anil Kumar Sharma as an Independent Directors of the company-To give consent for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons/ Bodies Corporate

(ii) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2019-20.

(iii) Postal Ballot:

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

Accounting Standard 18 (AS-18)/Ind-AS are furnished under Notes to the Accounts attached with the financial statements for the year ended March 31, 2020. 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

IX. Disclosures

- Related parties and transactions with them as required under

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

- The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
 - Pursuant to the regulations of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015 Managing Directors and CFO has issued a certificate to the Board enclose for the Financial Year ended March 31, 2020.
- The company has a Whistle Blower Policy in place for employees to report concerns about unethical behavior. No personnel have been denied to approach the Management or the Audit Committee on any issue.
 - That the composition of Company's board was always as per the SEBI (LODR) Regulations, 2015, but Dr. M.A. Zahir, Non-Executive Independent Director of the company expired on 8th November, 2018, due to which vacancy arises in our company's board which got filled on 18th April, 2019. The death was sudden and unexpected and company was not prepared for that and in order to meet the requirements of SEBI (LODR) Regulations, 2015 and filling the vacancy, the process of screening several candidates and finding the best fit for our organization took more than the expected time and the appointment of Non-Executive Independent Director got delayed due to unavoidable circumstances.

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

Details of Non Compliance	*Details of penalties imposed by Bombay Stock Exchange Ltd
Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	<i>The Bombay Stock Exchange Limited (BSE) has imposed fine of Rupees 1,00,300/- (Rupees One Lakh and Three Hundred Only) including of GST of Rupees 15,300/- (Rupees Fifteen Thousand and Three Hundred Only for the same for Quarter ended 30th June, 2019.</i>

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

- 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.

X. Means of Communication

- The Company has regularly sent immediately, by authorized mode, the annual audited as well as quarterly unaudited results to the Stock Exchange, after they are taken on record by the Board of Directors.
- The Company's quarterly and annual results have been published in English and Punjabi, Newspapers viz. The Financial Express (all India edition) and DeshSewak respectively for the period

when the registered office of the company was in Punjab. Thereafter, after the shifting of the registered office of the company, the same has been published in Business Standard (English and Hindi) and have also been displayed on Company's website at www.majesticauto.in and company is also filing information's through BSE website at www.listing.bseindia.com

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

XI. General Shareholders Information

- Annual General Meeting will be held on Saturday, 30th September, 2020, at 02.00 P.M. through video conferencing mode due to COVID-19 pandemic prevailing in the country.

- For the year ended March 31, 2019, Results were announced on :**

First quarter ended June 30, 2019	August 12, 2019
Second quarter ended September 30, 2019	November 8, 2019
Third quarter ended December 31, 2019	February 7, 2020
Fourth quarter ended March 31, 2020	*June 29, 2020

*Due to COVID-19 pandemic, board meeting has been conducted as per the time extension provided by the SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 through video conferencing.

- For the Year ending March 31, 2021, Results will be announced on (Tentative and subject to change)**

First quarter results (June 30, 2020)	August 29, 2020
Second quarter / half year results (Sept. 30, 2020)	Last week of Oct. 2020
Third quarter results (Dec. 31, 2020)	Last week of Jan. 2021
Fourth quarter and year ending (March 31, 2021)	First week of May, 2021
Annual General Meeting for the year ended March 31, 2021	September, 2021

4. Dates of book closure:

The dates of book closures are from September 23, 2020 to September 30, 2020 (both days inclusive).

- Face Value of the Equity Share is Rs. 10 per share

6. Dividend

The Board did not declare and recommend any dividend for the year ended March 31, 2020

7. Listing on Stock Exchange

Stock Exchange where listed Address

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

Listing fees for the 2019-2020 have not been paid to the Bombay Stock Exchange Limited, Mumbai within the stipulated time as there is some correction in the billing amount of the invoice which has been duly informed to BSE.

- Stock Codes :** 500267 at Bombay Stock Exchange Limited

- DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES:** INE201B01022

9. Market Price Data

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

Month	BSE		
	High(Rs.)	Low(Rs.)	Volume (No.s)
Apr-19	245.40	139.55	6,82,692
May-19	212.70	168.00	2,30,510
June-19	190.00	152.30	2,25,051
July-19	178.50	126.05	2,49,078
Aug-19	154.00	93.00	2,83,297
Sep-19	139.55	107.75	91,159
Oct-19	148.00	120.50	40,921
Nov-19	150.00	116.70	66,307
Dec-19	150.00	107.20	45,541
Jan-20	145.00	125.30	39,838
Feb-20	136.75	97.55	93,348
Mar-20	107.00	54.00	1,87,642

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

Alankit Assignment Limited

Corporate Office: Alankit Hosue", 4E/2, Jhandewalan Extension, New Delhi-110055 110 055. Phones (011) 23541234, 42541234, Fax (011) 23552001, e-mail : rta@alankit.com

11. Share transfer system

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (if in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names.. M/s Alankit Assignments Limited, New Delhi is the Registrar and Share Transfer Agent of the Company for both physical and electronic share transfer work of the Company. Therefore, shareholders of the Company are requested to send all shares in physical form for transfer directly to the Registrar and Transfer Agent of the Company.

12. Investors' services

The Company has a Board level Committee dealing with investor's issue, which has been discussed in detail earlier. The details of complaints/requests/reminders received and redressed during the year from 01.04.2019 to 31.03.2020 are given hereunder.

Sr. No.	Nature of Complaints/ Requests/Reminders	From 01.04.2019 to 31.3.2020	
		Received	Cleared
1.	Transfer & Transmission	10	6
2.	Change of Name, Address or Updation of Signature	1	1
3.	Unclaimed Share Certificate and POA	0	0
4.	Correction in Name	-	-
5.	Loss of Certificate/ Duplicate Share	2	2
6.	Old Shares for Demat	50	43
7.	Updating of Bank details	13	13

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 31.03.2020.

13. Distribution of shareholding as on March 31st, 2020

No. of shares held (Rs.10/- paid up)	Folios		Shares of Rs.10/- paid up Value	
	Number	%	Number	%
1-500	4385	88.68	542929	5.22
501-1000	267	5.40	215871	2.08
1001 to 2000	126	2.55	194296	1.87
2001 to 3000	55	1.11	141577	1.36
3001 to 4000	26	0.53	91942	0.88
4001 to 5000	24	0.49	108748	1.05
5001 to 10000	31	0.63	218894	2.11
10001 and above	31	0.63	8883221	85.44
TOTAL	4945	100	10397478	100

14. Shareholding pattern as on March 31st 2020

Category	Holders (No.)	No. of Equity Shares	%age
Promoters			
Indian Promoters	2	7798108	75
Total Promoter Holding	2	7798108	75
Non Promoter Holding			
Foreign Portfolio Investors	5	2251	0.02
Mutual Funds	2	2778	0.03
Indian Public	4625	2346810	22.56
Others			
Body Corporates	82	126534	1.22
NRI/OCBS	47	20525	0.19
Co-op., HUF, Banks, Co-op. Societies, Trust, others	182	100472	0.98
Total Non-Promoter Holding	4943	2599370	25
Grand Total	4945	10397478	100

15. Reconciliation of Share Capital Audit

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

16. Dematerialization of shares and liquidity

As on 31st March, 2020, 98.63% of total Equity Share Capital i.e. 1,02,55,730

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

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

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

20. During the year under consideration, the Company has not issued any Debt instruments or securities. Therefore, no Credit Rating has been obtained by the Company.
21. Disclosures in relations to the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013 are given in the Director's Report.
22. As required by the listing regulations, a certificate is required under schedule V point 10(i) Regulation 25A of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 regarding a declaration that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company is annexed herewith as an Annexure-1
23. **Web link where policy for determining material subsidiary is disclosed:** The web link for policy of determining material subsidiary is available in the investor section of the Website of the Company viz. www.majesticauto.in
24. **Web link where policy for dealing with Related Party Transactions:** The web link for policy of Related Party Transactions is available in the investor section of the Website of the Company viz. www.majesticauto.in
25. **Company's Registered Office Address:**
10 Southern Avenue, First Floor, Maharani Bagh New Delhi-110065, Co. No.0120-4348907
26. **Corporate Identify No. (CIN):** L35911DL1973PLC353132
27. **Plant Locations :**
1) B-6, B-7 & B-9 Ecotech I, Extension, Greater Noida
22. **Mandatory & Non-Mandatory Requirements :**
The Company has generally complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has not adopted the non-mandatory requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
23. **Investors' correspondence may be addressed to:**
Ms. JuhiGarg
Company Secretary
A-110, Sector-4 Noida-201301
e-mail : grievance@majesticauto.in, juhi.garg@mitsl.in

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

Mr. Rajpal Singh Negi, Chief Financial Officer

e-mail : accounts@majesticauto.in, grievance@majesticauto.in

25. Nomination Facility:

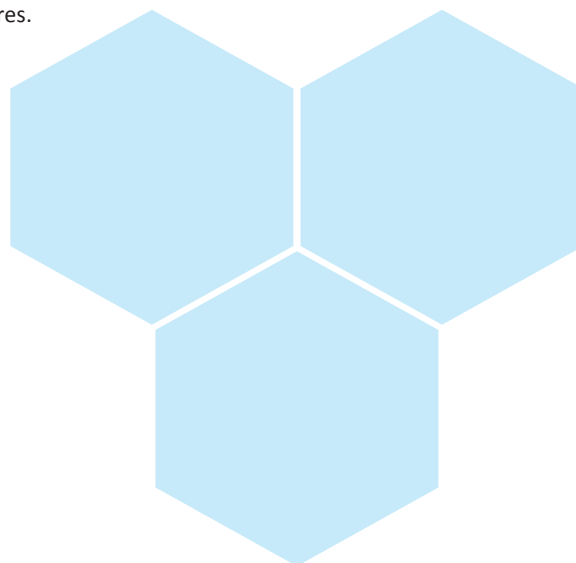
The Company offers facility of nomination. The facility is made available folio-wise and for the entire shares registered under the folio. The members holding shares in dematerialized form may contact and consult their respective Depository Participant (DP) for availing the nomination facility. Members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

X. Equity shares in Unclaimed Suspense Account

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

Particulars	No. of Shareholders	No. of Shares
Balance at the beginning of the year	248	30,560
Addition made during the year	Nil	Nil
Total	248	30,560
'Shareholders who approached Company for transfer of shares from suspense Account during the year	-	-
Shareholders to whom shares were transferred from suspense account during the year	0	0
Balance at the end of the year	248	30,560

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



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

The Board of Directors Majestic Auto Limited

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee;
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

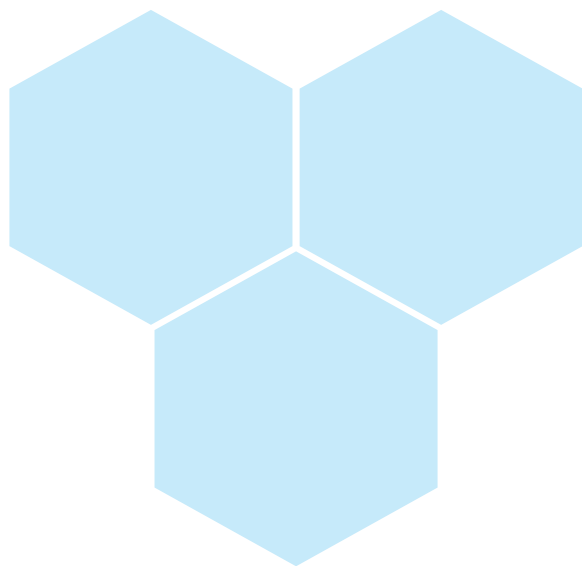
For Majestic Auto Limited

Sd/-
Mahesh Munjal
Managing Director

Sd/-
Rajpal Negi
Chief Financial Officer

Date: 29.08.2020

Place: Noida

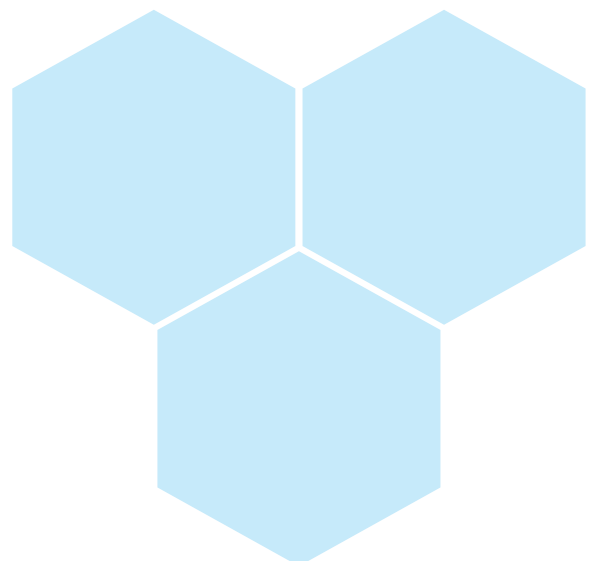
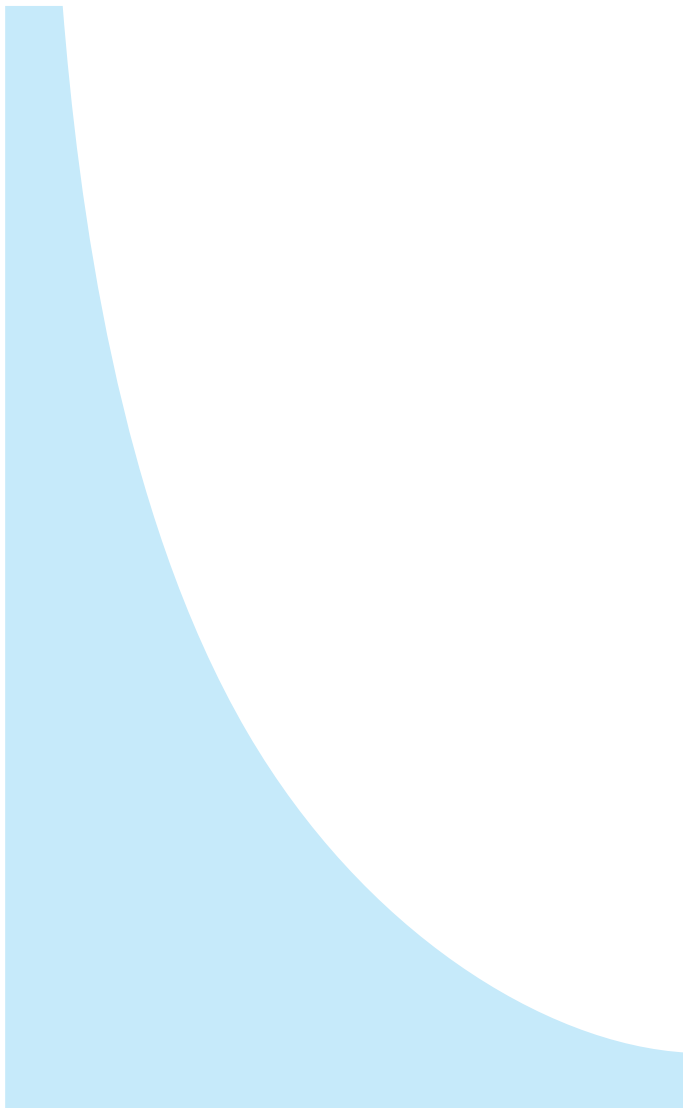


Declaration

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2020, a confirmation that they are in compliance with the Company's Code of Conduct.

For Majestic Auto Limited

Sd/-
Mahesh Munjal
Managing Director
DIN: 00002990



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAJESTIC AUTO LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Majestic Auto Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
<p>1. Accounting for investments</p> <p>As at 31 March 2020, the Company has investments aggregating ₹ 14,703.30 lakhs in equity shares and liquid mutual funds. These investments are measured either at Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment. Refer Notes 5A and 5B to the Standalone Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • Read the minutes of the meeting of the board of directors. • Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments. • Checked the Fair Market Value (FMV) of the investments in equity for arriving at FVTOCI.
<p>2. Assessment of recoverability of deferred tax asset</p> <p>As at 31 March 2020, the Company has recognized deferred tax liabilities of ₹ 1,142.59 lakhs (net) on deductible temporary differences, MAT credit and unused tax losses. Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions. Considering, this involves significant judgment and estimates, the same has been considered as key audit matter. Refer Notes 8 to the Standalone Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process and tested the controls over recording of deferred tax and review of deferred tax at each reporting date; • We tested the computation of the amounts recognized as deferred tax assets; • We evaluated management's assumptions used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans; • We assessed the disclosures on deferred tax included in Note 8 to the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<p>3. Related party transaction</p> <p>The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include transactions in the nature of investments, loans, sales and purchases, etc. as disclosed in Note 34 to the Standalone Financial Statements.</p> <p>Considering the significance of transactions with related parties and regulatory compliances thereon, related party transactions and its disclosure as set out in respective notes to the financial statements has been identified as key audit matter. Refer Notes 34 to the Standalone Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions; • Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length; • Tested, related party transactions with the underlying contracts, confirmation letters and other supporting documents; • Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.
<p>4. Assessing impairment of Investments in subsidiary</p> <p>The Company has significant investment in its subsidiaries. As at 31 March 2020, the carrying values of Company's investment in its subsidiaries amounts to ₹ 9,017.65 lakhs.</p> <p>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, unit price and discount rates.</p> <p>Considering, the impairment assessment involves significant assumptions and judgment, the same has been considered as key audit matter.</p> <p>Refer Notes 5 to the Standalone Financial Statements</p>	<p>Our procedure in assessing the management's judgment for the impairment assessment included, among others, the following:</p> <ul style="list-style-type: none"> • We assessed the Company's valuation methodology applied in determining the recoverable amount of the investments; • We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its investments; • We considered the independence, competence and objectivity of the management specialist involved in determination of valuation; • We tested the fair value of the investment as mentioned in the valuation report to the carrying value in books; • Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates etc. • Involved experts to review the assumptions used by the management specialists. We reviewed the disclosures made in the financial statements regarding such investments.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial

statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

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

Sd/-
CA Anubhav Goyal
Partner

Membership No. 123328

Delhi, 29 June 2020

ICAI UDIN – 20123328AAAAAZ3369

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of MAJESTIC AUTO LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
CA Anubhav Goyal
Partner

Membership No. 123328

Delhi, 29 June 2020

ICAI UDIN – 20123328AAAAAZ3369

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- ii. In respect of the Company's inventories:
 - a. The inventories except goods in transit in the custody of the Company have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
 - b. There were no discrepancies noticed on physical verification of inventories.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to companies, firms or other parties, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c. There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not taken any loan from the government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Sd/-
CA Anubhav Goyal
Partner**

Membership No. 123328
ICAI UDIN – 20123328AAAAAZ3369

Delhi, 29 June 2020

Majestic Auto Limited

Balance sheet as at 31 March 2020

(₹ in Lakhs)

	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	2	2,327.99	2,405.33
Right of use assets	2	105.06	-
Intangible assets	3	6.86	10.57
Investments property	4	4,878.05	4,878.76
Financial assets			
Investments	5 A	23,720.95	32,551.50
Loans	6 A	1,438.51	1,979.47
Other financial assets	7 A	89.98	-
Deferred tax assets (net)	8	2,719.42	2,314.73
Non-current tax assets (net)	9	142.06	118.55
Other non-current assets	10 A	4.24	4.96
Total non-current assets		35,433.12	44,263.87
Current assets			
Inventories	11	221.71	207.25
Financial assets			
Investments	5 B	-	102.03
Trade receivables	12	187.34	308.84
Cash and cash equivalents	13	18.13	6.44
Other bank balances	14 B	60.29	57.23
Loans	6 B	43.62	43.62
Other financial assets	7 B	285.16	160.86
Other current assets	10 B	48.65	92.46
Total current assets		864.90	978.73
Total assets		36,298.02	45,242.60
Equity and liabilities			
Equity			
Equity share capital	15	1,039.82	1,039.82
Other equity	16	29,685.42	36,826.22
Total equity		30,725.24	37,866.04
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	3,565.76	5,470.89
Other financial liabilities	18 A	326.24	16.45
Other non-current liabilities	19 A	96.76	-
Provisions	20 A	25.08	19.69
Total non-current liabilities		4,013.84	5,507.03
Current liabilities			
Financial liabilities			
Trade payables	21	123.36	334.78
Other financial liabilities	18 B	1,293.17	1,266.32
Other current liabilities	19 B	141.42	268.09
Provisions	20 B	0.99	0.34
Total current liabilities		1,558.94	1,869.53
Total equity and liabilities		36,298.02	45,242.60

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

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

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited

Statement of profit and loss for the year ended 31 March 2020

(₹ in Lakhs)

	Note	31 March 2020	31 March 2019
Income			
Revenue from operations	22	3,266.76	8,145.58
Other income	23	1,113.72	1,022.62
Total income		4,380.48	9,168.20
Expenses			
Cost of operation and services		1,790.83	3,309.02
Employee benefits expense	24	232.36	281.17
Finance costs	25	504.97	610.49
Depreciation and amortisation expense	26	212.30	79.42
Other expenses	27	273.67	369.34
Total expenses		3,014.13	4,649.44
Profit before tax from continuing operations		1,366.35	4,518.76
Tax expense	28		
Current tax		78.95	513.13
Less : MAT credit entitlement		(72.90)	(440.53)
Deferred tax		1,142.59	(296.59)
Profit from continuing operations		217.71	4,742.75
Discontinued operations	29		
Loss from discontinued operation before tax		-	(1,262.55)
Tax expense/(credit) of discontinued operations		-	(114.06)
Loss from discontinued operation		-	(1,148.49)
Profit/(Loss) for the year		217.71	3,594.26
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		(2.35)	(4.97)
Less: Income tax expense relating to items that will not be reclassified to profit and loss		0.39	1.02
Gain/(Loss) on fair value of FVOCI equity instruments		(8,830.55)	(9,092.71)
Less: Income tax expense relating to items that will not be reclassified to profit and loss		1,474.00	2,103.90
Total comprehensive income for the year		(7,140.80)	(3,398.50)
Earnings per equity share (for continuing operations):	30		
Basic (₹)		2.09	45.62
Diluted (₹)		2.09	45.62
Earnings per equity share (for discontinued operations):			
Basic (₹)		-	(11.05)
Diluted (₹)		-	(11.05)
Earnings per equity share (for discontinued and continuing operations):			
Basic (₹)		2.09	34.57
Diluted (₹)		2.09	34.57

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

For SAR & Associates

Chartered Accountants
Firm Registration No. 122400W

Sd/-

CA Anubhav Goyal

Partner

Membership No. 123328

Place: Ludhiana

Date: 29th June, 2020

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

Sd/-

(Rajpal Singh Negi)

Chief Financial Officer

Sd/-

(Juhi Garg)

Company Secretary

M.No. 35389

Sd/-

(Mahesh Munjal)

Managing Director

DIN 00002990

Sd/-

(Naveen Jain)

Director

DIN 00051183

Majestic Auto Limited

Statement of changes in equity as at 31 March 2020

A Equity share capital*

(₹ in lakhs)

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

Particulars	Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
Equity share capital	1,039.82	-	1,039.82

B Other equity**

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Total
	General reserve	Securities premium reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2018	500.00	129.52	15,417.71	24,177.49	40,224.72
Profit/(Loss) for the period	-	-	3,594.26	-	3,594.26
Other comprehensive income (net of tax)	-	-	(3.95)	(6,988.81)	(6,992.76)
Transfer on disposal of equity investment	-	-	-	-	-
Balance as at 31 March 2019	500.00	129.52	19,008.02	17,188.68	36,826.22
Profit/(loss) for the period	-	-	217.71	-	217.71
Other comprehensive income (net of tax)	-	-	(1.96)	(7,356.55)	(7,358.51)
Transfer on disposal of equity investment	-	-	-	-	-
Balance as at 31 March 2020	500.00	129.52	19,223.77	9,832.13	29,685.42

*Refer Note - 15 for details

**Refer Note - 16 for details

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

For SAR & Associates

Chartered Accountants

Firm Registration No. 122400W

Sd/-

CA Anubhav Goyal

Partner

Membership No. 123328

Place: Ludhiana

Date: 29th June, 2020

For and on behalf of Majestic Auto Limited

Sd/-

(Rajpal Singh Negi)

Chief Financial Officer

Sd/-

(Mahesh Munjal)

Managing Director

DIN 00002990

Sd/-

(Juhi Garg)

Company Secretary

M.No. 35389

Sd/-

(Naveen Jain)

Director

DIN 00051183

Majestic Auto Limited

Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

	31 March 2020	31 March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax from		
Continuing operations	1,366.35	4,518.76
Discontinued operations	-	(1,262.55)
Loss before tax including discontinued operations	1,366.35	3,256.21
Adjustments for:		
Depreciation on property, plant and equipment	212.30	79.42
Loss/(gain) on disposal of property, plant and equipment	6.63	1,159.20
Interest income	(171.14)	(128.91)
Dividend income	(893.37)	(874.95)
Gain on investment classified as FVTPL	(11.13)	(2.03)
Finance costs	504.97	610.49
Operating loss before working capital changes	1,014.61	4,099.43
Movement in working capital		
Decrease/(increase) in inventories	(14.46)	305.41
Decrease/(increase) in other financial assets	(213.48)	283.09
Decrease/(increase) in trade receivables	121.50	447.27
Decrease other non-current assets	0.72	(4.96)
Decrease in other current assets	43.81	47.57
Decrease in other financial liabilities	206.93	(145.11)
Increase in other current liability	(126.66)	(130.70)
Increase in other non-current liability	96.76	-
(Decrease)/increase in provisions	3.69	(5.45)
(Decrease)/increase in trade and other payables	(211.42)	7.93
Cash flow from operating activities post working capital changes	922.00	4,904.48
Income tax paid (net)	(102.46)	(47.71)
Net cash flow from operating activities (A)	819.54	4,856.77
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(16.53)	(57.83)
Purchase investments property	(113.62)	-
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	8.35	761.69
Proceeds from sale of investments	213.16	102.63
Purchases of short-term investments	(100.00)	(200.00)
Redemption in margin money	(3.06)	(2.64)
Cash loans and advances	540.96	(1,838.69)
Dividend received	893.37	874.95
Interest received	170.34	128.91
Net cash flow from investing activities (B)	1,592.97	(230.98)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	466.56
Repayment of borrowings	(1,903.27)	(4,481.16)
Payment of lease liabilities	(20.16)	-
Interest paid	(477.39)	(610.49)
Net cash used in financing activities (C)	(2,400.82)	(4,625.09)
Increase in cash and cash equivalents (A+B+C)	11.69	0.70
Cash and cash equivalents at the beginning of the year	6.44	5.74
Cash and cash equivalents at the end of the year	18.13	6.44

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

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: *Ludhiana
Date: 29th June, 2020

*Board meeting was held through video conferencing on 29th June, 2020 and the location of Chairman was Ludhiana, so we have assumed the place of approval of accounts as Ludhiana.

For and on behalf of Majestic Auto Limited

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

1. Corporate information

Majestic Auto Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange Limited. The Company is engaged in the business of providing facility management services. The Company has its registered place of business at 10 Southern Avenue, First Floor, Maharani Bagh, Delhi-110065, India.

1.1 Basis of preparation

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

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

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

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

The financial statements for the year ended 31 March 2020 were authorized and approved by the Board of Directors on 29 June 2020.

1.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Inventory

Inventories are valued as follows:

Work in progress and finished goods

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

Raw material, components, stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Scrap

Scrap is valued at net realisable value.

Goods in transit

Goods in transit are value at cost.

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

c) Property, plant and equipment

Recognition and initial measurement

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

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

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. Leasehold land is amortised over the period of lease. The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

De-recognition

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

d) Investment property

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Subsequent measurement (Amortisation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period of de-recognition.

e) Intangible assets

Recognition and initial measurement

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

Subsequent measurement (Amortisation and useful lives)

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

Intangible assets	Amortisation period
Computer software	5 years

De-recognition

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

f) Impairment of non-financial assets

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

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Notes to the Standalone financial statements for the year ended 31 March 2020

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

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

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

g) Borrowing costs

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

h) Foreign currency transactions

Functional and presentation currency

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

Foreign currencies

Initial recognition

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

Subsequent measurement

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

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

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

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

i) Leases

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

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

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

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

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

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

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

j) Fair value measurement

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial results on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by

re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

k) Revenue recognition

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

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

Sale of goods and services

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

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

Dividend income

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

Interest income

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

Rental income

Rental income is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

l) Financial instruments

Recognition and initial measurement

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

Subsequent measurement

Financial assets

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely

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Notes to the Standalone financial statements for the year ended 31 March 2020

payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

iii. **Financial assets at fair value**

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

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

De-recognition of financial assets

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

Financial liabilities

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

on a net basis, to realize the assets and settle the liabilities simultaneously.

m) Impairment of financial assets

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

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

Trade receivables

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

Other financial assets

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

n) Investment in subsidiaries

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

o) Retirement and other employee benefits

Provident and Superannuation fund

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

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan (administered

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Notes to the Standalone financial statements for the year ended 31 March 2020

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

Accumulated leaves

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

Other short-term benefits

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

p) Earnings per share

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

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

q) Taxes

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

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

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT

credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

r) Segment reporting

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

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

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Notes to the Standalone financial statements for the year ended 31 March 2020

s) Cash and cash equivalents

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

t) Provisions, contingent liabilities and contingent assets

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

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

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

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

1.4 Significant management judgments in applying accounting policies and estimation uncertainty

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

Significant management judgments

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

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

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

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

Significant estimates

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

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

Fair value measurements

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

1.5 Changes in significant accounting policies

The Company has applied Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets) i.e. by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of equity as at 1 April, 2019. Due to transition method chosen by the Company in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

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Notes to the Standalone financial statements for the year ended 31 March 2020

Note - 2

Property, plant and equipment

Particulars	Freehold land	Building	Plant and equipment	Furniture & fixtures	Computers	Office equipment	Vehicles	Total	Right of use assets
Gross block									
At 1 April 2018	-	4,539.11	-	147.91	-	214.07	306.61	5,207.70	-
Additions	-	-	-	-	-	1.41	56.42	57.83	-
Transferred to stock in trade/held for sale	-	(2,255.55)	-	-	-	-	-	(2,255.55)	-
Disposals/adjustments	162.67	-	-	-	-	(27.78)	(64.43)	70.46	-
Balance as at 31 March 2019	162.67	2,283.56	-	147.91	-	187.70	298.60	3,080.44	-
Additions	-	-	6.71	0.70	1.26	7.86	-	16.53	120.43
Transferred to stock in trade	-	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	(28.42)	(28.42)	-
Balance as at 31 March 2020	162.67	2,283.56	6.71	148.61	1.26	195.56	270.18	3,068.55	120.43
Accumulated depreciation									
At 1 April 2018	-	591.47	-	94.12	-	194.50	147.86	1,027.95	-
Charge for the year	-	35.88	-	5.95	-	3.41	31.74	76.98	-
Transferred to stock in trade/held for sale	-	(351.30)	-	-	-	-	-	(351.30)	-
Disposals	-	-	-	-	-	(26.39)	(52.13)	(78.52)	-
Balance as at 31 March 2019	-	276.05	-	100.07	-	171.52	127.47	675.11	-
Charge for the year	-	35.93	0.10	7.21	0.07	3.46	32.12	78.89	15.37
Transferred to stock in trade	-	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	(13.44)	(13.44)	-
Balance as at 31 March 2020	-	311.98	0.10	107.28	0.07	174.98	146.15	740.56	15.37
Net block as at 31 March 2019	162.67	2,007.51	-	47.84	-	16.18	171.13	2,405.33	-
Net block as at 31 March 2020	162.67	1,971.58	6.61	41.33	1.19	20.58	124.03	2,327.99	105.06

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

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

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

(ii) Discontinued operations

Depreciation for the current year includes depreciation for discontinued operations Nil (31 March 2019: Nil).

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Notes to the Standalone financial statements for the year ended 31 March 2020

Note - 3

Intangible assets

(₹ in lakhs)

Particulars	Softwares	Total
Gross block		
At 1 April 2018	47.83	47.83
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	47.83	47.83
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	47.83	47.83
Accumulated amortisation		
At 1 April 2018	34.82	34.82
Charge for the year	2.44	2.44
Disposals	-	-
Balance as at 31 March 2019	37.26	37.26
Charge for the year	3.71	3.71
Disposals	-	-
Balance as at 31 March 2020	40.97	40.97
Net block as at 31 March 2019	10.57	10.57
Net block as at 31 March 2020	6.86	6.86

Note - 4

Investment Property

(₹ in lakhs)

Particulars	Leasehold land^	Buildings^	Furniture & Fixtures	Total
Gross block				
At 1 April 2018	3,245.75	2,255.55	-	5,501.30
Additions	-	-	-	-
Transferred to stock in trade/held for sale	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2019	3,245.75	2,255.55	-	5,501.30
Transferred from stock in trade/held for sale	-	-	-	-
Additions	49.66	-	63.96	113.62
Transferred to stock in trade	-	-	-	-
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2020	3,295.41	2,255.55	63.96	5,614.92
Accumulated depreciation				
At 1 April 2018	271.23	351.31	-	622.54
Charge for the year*	-	-	-	-
Transferred to stock in trade/held for sale	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2019	271.23	351.31	-	622.54
Charge for the year	36.94	73.60	3.79	114.33
Transferred to stock in trade	-	-	-	-
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2020	308.17	424.91	3.79	736.87
Net block as at 31 March 2019	2,974.52	1,904.24	-	4,878.76
Net block as at 31 March 2020	2,987.24	1,830.64	60.17	4,878.05

^During the year the Company has leased out part of land and building, which was previously classified as Inventories. Now as required by Ind AS-40 "Investment Property", the land and building which was leased out has been reclassified as Investment Property.

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Notes to the Standalone financial statements for the year ended 31 March 2020

*As on 1 April 2018 Leasehold land and Buildings had been transferred to stock-in-trade, hence the depreciation on the same had not been provided during the FY 2018-19.

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

Particulars	31 March 2020	31 March 2019
Rental income	367.37	NA
Direct operating expenses generating rental income (including repair and maintenance)	92.44	NA
Direct operating expenses that did not generate rental income (including repair and maintenance)	-	NA
Profit from investment properties before depreciation	274.93	-
Depreciation	114.33	NA
Profit from investment properties	160.60	-

(b) Leasing arrangements

The investment property is leased to tenants under long-term operating leases with rentals payable monthly. Future minimum lease payments receivable under long-term operating leases of investment property in the aggregate is ₹ 3,468.82 lakhs (31 March 2019: NA) and for each of the following period:

Particulars	31 March 2020	31 March 2019
Within one year	348.00	NA
Later than one year but not later than 5 years	1,557.95	NA
Later than 5 years	1,562.86	NA

(c) Fair value

Particulars	31 March 2020	31 March 2019
Fair value	9,222.00	NA

(d) Fair value hierarchy and valuation technique:

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using the land and building method.

Note - 5

	31 March 2020	31 March 2019
A Investments		
Investment in equity instruments		
Subsidiary companies (unquoted, at cost)		
Majestic IT Services Limited		
16,776,500 (31 March 2019: 16,776,500) equity shares, fully paid up	1,677.65	1,677.65
Emirates Technologies Private Limited		
16,000,000 (31 March 2019: 16,000,000) equity shares, fully paid up	7,320.00	7,320.00
Equity investment in others (quoted, at market value)		
Fair value through other comprehensive income		
921,000 (31 March 2019: 921,000) equity shares of Hero Moto Corp Limited	14,703.30	23,533.85
Investment in optionally convertible redeemable preference shares		
Subsidiary company (unquoted, at cost)		
Majestic IT Services Limited		
200,000 (31 March 2019: 200,000) preference shares, fully paid up	20.00	20.00
	23,720.95	32,551.50
Aggregate amount of quoted investments	1,891.85	1,891.85
Aggregate market value of quoted investments	14,703.30	23,533.85
Aggregate amount of unquoted investments	9,017.65	9,017.65
Aggregate amount of impairment in the value of investments	-	-
Equity investment in others valued at fair value through other comprehensive income have been pledged as security for liabilities, for details refer Note - 37.		

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
B Investments		
Investment in Mutual Fund		
Investment carried at fair value through profit or loss (quoted, at market value)		
5,625 (31 March 2019: 2,878) units in Axis Banking & PSU Debt Direct-G -invest	-	50.91
613,735 (31 March 2019: 315,169) units in IDFC Banking & PSU Debt Direct-G	-	51.12
	-	102.03
Aggregate amount of quoted investments	-	100.00
Aggregate market value of quoted investments	-	102.03

Note - 6

A Loans non-current		
(Unsecured, considered good)		
Security deposits	1,438.51	1,979.47
	1,438.51	1,979.47
B Loans - current		
(Unsecured, considered good)		
Security deposits	43.62	43.62
	43.62	43.62

Refer note 32 - Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

Note - 7

A Other financial assets non-current		
(Unsecured, considered good)		
Unbilled receivable	89.98	-
	89.98	-
B Other financial		
(Unsecured, considered good)		
Unbilled receivables	161.84	146.09
Advances recoverable in cash	12.94	14.52
Balance with banks in fixed deposit*	100.00	-
Others -FA current	10.38	0.25
	285.16	160.86

*Lien marked for bank gurantee of Rs. 100 lakhs

Note - 8

Deferred tax assets (net)

Deferred tax asset arising on account of :

Minimum alternative tax credit *	1,491.57	1,418.67
Property, plant and equipment and other intangible assets	19.26	36.85
Employee benefits	5.68	6.42
Conversion of capital assets into stock in trade	894.29	1,102.96
Financial instruments measured at amortised cost	0.10	0.03
Allowances for doubtful debts	9.25	11.41
Right of use assets	1.42	-
Unabsorbed business losses and depreciation**	3,297.59	4,194.33

Deferred tax liabilities arising on account of :

Investment in fair value instruments measured at FVOCI	(2,981.94)	(4,455.94)
Financial instruments measured at amortised cost	(0.72)	-
Straight lining of rental income	(17.08)	-
	2,719.42	2,314.73

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(i) Movement in deferred tax liabilities (net)

(₹ in lakhs)

Particulars	31 March 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2020
Liabilities				
Financial instruments measured at amortised cost	-	0.72	-	0.72
Straight lining of rental income-movement	-	17.08	-	17.08
Investment in fair value instruments measured at FVOCI	4,455.94	-	(1,474.00)	2,981.94
Assets				
Minimum alternative tax credit *	1,418.67	72.90	-	1,491.57
Employee benefits	6.42	(1.13)	0.39	5.68
Allowances for doubtful debts	11.41	(2.16)	-	9.25
Financial instruments measured at amortised cost	0.03	0.07	-	0.10
Property, plant and equipment and other intangible assets	36.85	(17.59)	-	19.26
Right of use assets	-	1.42	-	1.42
Conversion of capital assets into stock in trade	1,102.96	(208.67)	-	894.29
Unabsorbed business losses and depreciation**	4,194.33	(896.74)	-	3,297.59
Total	(2,314.73)	1,069.70	(1,474.39)	(2,719.42)

(₹ in lakhs)

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

*Expiry date of minimum alternative tax credit:

(₹ in lakhs)

Expiry year	31 March 2020	31 March 2019
1 April 2024 - 31 March 2025	23.68	23.68
1 April 2025 - 31 March 2026	115.83	115.83
1 April 2026 - 31 March 2027	64.79	64.79
1 April 2029 - 31 March 2030	773.83	773.83
1 April 2034 - 31 March 2035	440.53	440.53
1 April 2035 - 31 March 2036	72.90	
Total	1,491.56	1,418.66

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

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

Expiry year	31 March 2020	31 March 2019
Unused tax losses		
1 April 2021 - 31 March 2022	-	304.84
1 April 2022 - 31 March 2023	1,716.46	1,924.89
1 April 2023 - 31 March 2024	2,550.81	2,550.81
1 April 2024 - 31 March 2025	903.84	903.84
1 April 2025 - 31 March 2026	1,541.39	1,541.39
1 April 2026 - 31 March 2027	1,291.46	1,291.46
1 April 2027 - 31 March 2028	2,194.08	2,203.71
Unabsorbed depreciation for indefinite period	9,557.50	9,849.28
Total	19,755.54	20,570.22

Note - 9

Non - current tax assets (net)		
Advance income tax	221.01	631.68
Less: Provision for taxation	(78.95)	(513.13)
	142.06	118.55

Note - 10

A Other non-current assets		
(Unsecured, considered good)		
Prepaid expenses	4.24	4.96
	4.24	4.96
B Other current assets		
(Unsecured, considered good)		
Advances to suppliers	12.34	38.86
Prepaid expenses	6.59	7.91
Balance with government authorities		
-GST input	28.02	43.70
-Sales tax paid under dispute	1.17	1.17
-TCS recoverable	-	0.82
Others	0.53	-
	48.65	92.46

Note - 11

Inventories		
(Lower of cost or net realizable value)		
Raw materials and components	20.00	20.00
Stores and spares	46.99	40.98
Stock in Diesel	26.57	18.12
Real Estate		
Land	128.15	128.15
	221.71	207.25

Note - 12

Trade receivables*		
Considered good	187.34	308.84
Considered doubtful	55.42	55.42
Less: Impairment allowance (allowance for expected credit loss)		
Considered good	-	-
Considered doubtful	(55.42)	(55.42)
	187.34	308.84

*for related party balances refer Note - 34.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

	31 March 2020	31 March 2019
Note - 13		
Cash and cash equivalents		
Cash on hand	2.57	2.62
Balances with banks		
In current accounts	15.56	3.82
	18.13	6.44

Note - 14

Other bank balances		
Margin money *	60.29	57.23
	60.29	57.23

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

Note - 15

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
i Authorised				
15,000,000 Equity shares of 10/- each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
25,000,000 Preference shares of 10/- each	25,000,000	2,500.00	25,000,000	2,500.00
		4,000.00		4,000.00
ii Issued share capital				
Equity share capital of face value of 10 each	10,398,978	1,039.90	10,398,978	1,039.90
		1,039.90		1,039.90
iii Subscribed and fully paid up				
Equity share capital of face value of 10/- each	10,397,478	1,039.82	10,397,478	1,039.82
Add: Shares forfeited (amount paid up)		-		-
		1,039.82		1,039.82
iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares	Number	Amount	Number	Amount
Balance at the beginning of the year	10,397,478	103,974,780	10,397,478	103,974,780
Add : Shares forfeited during the year	-	-	-	-
Balance at the end of the year	10,397,478	103,974,780	10,397,478	103,974,780
v Rights, preferences and restrictions attached to equity shares				
The Company has one class of equity shares with paid up value of 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the Company, if declared by the board as interim dividend and recommended by the board and declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by Company from time to time.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, beside other rights available under the Companies Act.				
The distribution will be in proportion to the number of equity shares held by the shareholders.				
vi Details of shareholder holding more than 5% share capital				
Name of the equity shareholders	Number	%	Number	%
M/s Anandi Investments Private Limited	7,757,687	74.61%	7,757,687	74.61%

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

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

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

No bonus shares have been issued in preceding 5 years.

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

Note - 16

Other equity

(i) Nature and purpose of other reserves

General reserve

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

Retained earnings

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

Securities premium reserve

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

Other comprehensive income

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

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 17		
Borrowings non-current		
Secured loans		
Term loans		
From banks	3,549.37	5,446.95
Vehicle loan from banks	16.39	23.94
	3,565.76	5,470.89

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2020	31 March 2019
Secured - term loan					
HDFC Bank - Term Loan	Primary hypothecate by way of subservient charges on all movable plant and machinery, fixed assets both present and future of the Company and secondary by pledge of equity shares of Hero Motocorp Limited.	Quarterly instalments of 375 lakhs till November 2020. Repayable after one year or rollover for further period.	The rate of interest ranges from 7.00% to 10%.	1,125.00	2,250.00
HDFC Bank - Overdraft				154.62	348.07
Deutsche Bank			The rate of interest ranges from 7.00% to 9.30%.	2,741.25	3,246.33
Housing loan					
Punjab National Bank	Mortgage of flat no. C-100 (Block C), first floor, southern avenue, Maharani Bagh, New Delhi	180 equated monthly instalments of 11.05 lakhs each.	The rate of interest ranges from 8.00% to 9.75%.	726.39	793.18
Vehicle loan					
Canara Bank	Vehicle loan is secured by mortgage of vehicle of the Company	60 EMI of 0.54 lakhs each	The rate of interest ranges from 8.00% to 9.75%.	-	9.85
Canara Bank		84 EMI of 0.47 lakhs each		20.29	23.39
				4,767.55	6,670.82

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note - 37.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

Reconciliation of liabilities arising from financing activities

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

(₹ in lakhs)

Particulars	Long-term borrowings	Lease liabilities	Total
1 April 2018	10,685.42	-	10,685.42
Cash flows:			
- Repayment	(4,481.16)	-	(4,481.16)
- Proceeds	466.56	-	466.56
Non-cash:			
- Acquisitions - finance leases	-	-	-
31 March 2019	6,670.82	-	6,670.82
Cash flows:			
- Repayment	(1,903.27)	(20.16)	(1,923.43)
- Proceeds	-	-	-
Non-cash:			
- Acquisitions - lease liabilities	-	120.43	120.43
- Interest expense	-	13.30	13.30
31 March 2020	4,767.55	113.57	4,881.12

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 18		
A Other financial liabilities non-current		
Security deposits	232.83	16.45
Lease liabilities	93.41	-
	326.24	16.45
B Other financial liabilities - current		
Current maturities of long-term borrowings	1,201.79	1,199.93
Interest accrued but not due	7.50	-
Lease liabilities	20.16	-
Others*	63.72	66.39
	1,293.17	1,266.32

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

Note - 19

A Other non-current liabilities		
Deferred income	96.76	-
	96.76	-
B Other current liabilities		
Payable to statutory authorities	41.25	13.36
Advance from customers	36.45	36.64
Deferred income	13.34	-
Others	50.38	218.09
	141.42	268.09

Note - 20

A Provisions - non-current		
Employee's post retirement/long-term benefits		
Gratuity	25.08	19.69
	25.08	19.69
B Provisions - current		
Employees' post retirement/long-term benefits		
Gratuity	0.40	0.34
Compensated absences	0.59	-
	0.99	0.34

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 21		
Trade payables		
Due to micro and small enterprises*	1.23	-
Due to others	122.13	334.78
	123.36	334.78

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019

Particulars	31 March 2020	31 March 2019
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 22		
Income from operations		
Sale of services		
Facility management services	2,783.93	2,380.34
Revenue from sale of Land and constructed Properties	-	5,765.24
Sale of services - Export	88.08	-
Rental income	367.37	-
Other operating income:		
Others	27.38	-
	3,266.76	8,145.58

Note - 23

Other income		
Interest income		
- Bank deposits	5.66	3.50
- Intercompany deposits	165.48	125.41
Dividend received	893.37	874.95
Financial assets carried at amortised cost	0.14	0.26
Gain on disposal of property, plant and equipment (net)	-	3.13
Profit on exchange fluctuation	1.81	-
Gain on investment classified as FVTPL	11.13	2.03
Miscellaneous receipts	36.13	13.34
	1,113.72	1,022.62

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 24		
Employee benefits expense		
Salaries and incentives	194.90	241.18
Contributions to provident and other fund	34.33	35.08
Staff welfare expenses	3.13	4.91
	232.36	281.17
Note - 25		
Finance costs		
Interest on		
- Term loan from banks	473.52	589.26
- Interest to others	-	20.76
- Lease liabilities	13.30	-
Financial assets carried at amortised cost	6.78	-
Bank commission and charges	11.37	0.47
	504.97	610.49
Note - 26		
Depreciation and amortisation expense		
Depreciation on:		
Property, plant and equipment	78.89	76.98
Investments property	114.33	-
Amortisation on:		
Intangible assets	3.71	2.44
Right of use assets	15.37	-
	212.30	79.42
Note - 27		
Other expenses		
Water, electricity and fuel	15.33	20.59
Repairs and maintenance		
- Buildings	28.58	35.69
- Others repair	4.19	5.96
Legal and professional	24.82	47.46
House keeping and security	60.25	67.00
Insurance	7.05	7.19
Rates and taxes	2.76	79.87
Printing and stationery	3.81	3.61
Rent	1.08	21.67
Business promotion	28.59	11.84
Auditor's remuneration		
- Statutory audit fee	2.50	2.50
Telephone and communication	3.70	6.94
Director's sitting fee	6.05	1.30
Annual maintenance charge	1.99	-
Fine and penalties	6.49	-
Listing and depository charges	3.90	3.40
Travelling and conveyance	43.05	32.44
Festival expenses	3.35	4.16
Balances written off	3.60	-
Loss on disposal of fixed assets (net)	6.63	-
Miscellaneous expenses	15.95	17.73
	273.67	369.34

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

Corporate social responsibility expenses

In accordance with Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The CSR committee has been formed by the company as per Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is Nil (previous year NA).

b) Amount spent during the financial year ended 31 March 2020 and 31 March 2019 on:

(₹ in lakhs)				
Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2020	-	-	-
	31 March 2019	-	-	-
On purpose other than above	31 March 2020	-	-	-
	31 March 2019	-	-	-

Note - 28

Income tax

Tax expense comprises of:

Current tax	78.95	513.13
Less : MAT credit entitlement	(72.90)	(440.53)
Deferred tax credit	1,142.59	(296.59)
Earlier years tax adjustments (net)	-	-
Income tax expense reported in the statement of profit and loss	1,148.64	(223.99)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2019: 27.82%) and the reported tax expense in profit or loss are as follows:

Profit from continuing operations before income tax expense	1,366.35	4,518.76
Profit from discontinued operations before income tax expense	-	(1,262.55)
	1,366.35	3,256.21
At India's statutory income tax rate of 27.82% (31 March 2019: 27.82%)	380.12	905.88

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Tax impact of exempted income (net)	(183.66)	(160.86)
Tax impact of expenses which will never be allowed	0.04	0.01
Earlier years tax adjustments (net)	(60.29)	(90.45)
Allowable expenses	(5.49)	(1,325.57)
Effect of changes in tax rate	1,043.53	565.69
Tax impact of discontinued operations	-	(114.06)
Others	(25.61)	(4.62)
Income tax expense	1,148.64	(223.99)

Note - 29

Discontinued operations

(i) Description

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

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
(ii) Financial performance and cash flow information		
Total income	-	240.98
Total expenses	-	341.20
Loss before tax	-	(100.22)
(Loss)/profit on disposal of non-current assets of discontinued operation	-	(1,162.33)
Loss before tax from discontinued operations	-	(1,262.55)
Tax expense	-	-
Deferred tax credit	-	(114.06)
Earlier years tax adjustments (net)	-	-
Loss for the year from discontinued operations	-	(1,148.49)

Note - 30

Earnings per share		
Net profit attributable to equity shareholders	217.71	3,594.26
Profit from continuing operations (A)	217.71	4,742.75
Weighted average number of equity shares for basic EPS (B)	10,397,478.00	10,397,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	10,397,478.00	10,397,478.00
Basic EPS (I) (A/B)	2.09	45.62
Diluted EPS (I) (A/C)	2.09	45.62
Loss from discontinued operations (A)	-	(1,148.49)
Weighted average number of equity shares for basic EPS (B)	10,397,478.00	10,397,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	10,397,478.00	10,397,478.00
Basic EPS (I) (A/B)	-	(11.05)
Diluted EPS (I) (A/C)	-	(11.05)
Profit from continuing operations and discontinued operations (A)	217.71	3,594.26
Weighted average number of equity shares for basic EPS (B)	10,397,478.00	10,397,478.00
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	10,397,478.00	10,397,478.00
Basic EPS (I) (A/B)	2.09	34.57
Diluted EPS (I) (A/C)	2.09	34.57

Note - 31

Financial instruments by category

(i) Fair values hierarchy

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

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

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

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

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(ii) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI*	Amortised cost	FVTPL	FVOCI*	Amortised cost
Financial assets						
Investments						
Equity instruments	-	14,703.30	-	-	23,533.85	-
Mutual Fund	-	-	-	102.03	-	-
Trade receivables	-	-	187.34	-	-	308.84
Loans	-	-	-	-	-	-
Cash and cash equivalents	-	-	18.13	-	-	6.44
Other bank balances	-	-	60.29	-	-	57.23
Other financial assets	-	-	375.14	-	-	160.86
Security deposits	-	-	1,482.13	-	-	2,023.09
Total financial assets	-	14,703.30	2,123.03	102.03	23,533.85	2,556.46
Financial liabilities						
Borrowings	-	-	4,767.55	-	-	6,670.82
Trade payables	-	-	123.36	-	-	334.78
Other financial liabilities	-	-	417.62	-	-	82.84
Total financial liabilities	-	-	5,308.53	-	-	7,088.44

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

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

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

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2020 and 31 March 2019

(₹ in lakhs)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2020	14,703.30	-	-	14,703.30
	31 March 2019	23,533.85	-	-	23,533.85
Investments carried at fair value through profit or loss					
Mutual Funds	31 March 2020	-	-	-	-
	31 March 2019	102.03	-	-	102.03

(iv) Valuation technique used to determine fair value

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

(iv) Fair value of instruments measured at amortised cost

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

(₹ in lakhs)

Particulars	Level	31 March 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	1,482.13	1,481.80	2,023.09	2,023.14
Other financial assets	Level 3	123.32	123.32	14.77	14.77
Total financial assets		1,605.45	1,605.12	2,037.86	2,037.91
Financial liabilities					
Borrowings	Level 3	4,767.55	4,767.55	6,670.82	6,670.82
Other financial liabilities	Level 3	232.83	226.77	16.45	16.45
Total financial liabilities		5,000.38	4,994.32	6,687.27	6,687.27

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

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

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2020 was assessed to be insignificant.

Note - 32

Financial risk management

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

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

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low

B: Medium

C: High

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

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

Life time expected credit loss is provided for trade receivables.

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

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

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

(₹ in lakhs)

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	1,935.69	2,247.62
B: Medium	Trade receivables	242.76	364.26

ii) Concentration of trade receivables

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Auto components	62.53	62.57
Consumer electronics	42.33	64.43
IT Industry	36.60	135.61
Others	101.29	101.65
Total	242.76	364.26

b) Credit risk exposure

(i) Provision for expected credit losses

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets –

As at 31 March 2020

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	18.13	-	18.13
Trade receivables	242.76	(55.42)	187.34
Other bank balances	60.29	-	60.29
Loans	1,482.13	-	1,482.13
Other financial assets	375.14	-	375.14

As at 31 March 2019

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6.44	-	6.44
Trade receivables	583.52	(274.68)	308.84
Other bank balances	57.23	-	57.23
Loans	2,023.09	-	2,023.09
Other financial assets	160.86	-	160.86

(ii) Expected credit loss for trade receivables under simplified approach

The Company's trade receivables pertaining to income from sale of products and services has higher credit risk and accordingly allowance for expected credit loss is created using provision matrix approach.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Gross amount of trade receivables	242.76	364.26
Expected loss rate	22.83%	15.21%
Expected credit loss (loss allowance provision)	55.42	55.42

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

Reconciliation of loss provision – lifetime expected credit losses		(₹ in lakhs)
Reconciliation of loss allowance		Trade receivables
Loss allowance as on 1 April 2018		274.68
Impairment loss recognised		(219.26)
Amounts written off		-
Loss allowance on 31 March 2019		55.42
Impairment loss recognised		-
Amounts written off		-
Loss allowance on 31 March 2020		55.42

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

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

(₹ in lakhs)					
31 March 2020	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	1,417.91	138.29	410.68	3,061.99	5,028.86
Trade payable	123.36	-	-	-	123.36
Security deposits	16.28	-	1.27	329.68	347.22
Lease liabilities	20.41	23.18	73.32	49.44	166.35
Other financial liabilities	63.72	-	-	-	63.72
Total	1,641.68	161.47	485.27	3,441.10	5,729.51

(₹ in lakhs)					
31 March 2019	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	1,617.75	1,268.07	414.78	3,701.18	7,001.78
Trade payable	334.78	-	-	-	334.78
Security deposits	-	16.45	-	-	16.45
Other financial liabilities	66.39	-	-	-	66.39
Total	2,018.92	1,284.52	414.78	3,701.18	7,419.40

The Company had access to following funding facilities :
As at 31 March 2020

(₹ in lakhs)			
Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	2,925.00	1,288.84	1,636.16
1-2 years	-	-	-
Above 2 years	2,732	2,732	-
Total	5,657.02	4,020.87	1,636.16

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

As at 31 March 2019

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	4,025.00	1,473.47	2,551.53
1-2 years	1,125.00	1,125	-
Above 2 years	3,246	3,246	-
Total	8,395.94	5,844.41	2,551.53

(C) Market risk

(i) Interest rate risk

Liabilities

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Variable rate borrowing	4,767.55	6,670.82
Fixed rate borrowing	-	-
Total borrowings	4,767.55	6,670.82

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Interest rates – increase by 25 basis points	11.92	16.68
Interest rates – decrease by 25 basis points	(11.92)	(16.68)

(ii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVOCI and FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the year -

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Price sensitivity		
Price increase by (5%) - FVOCI	735.17	1,176.69
Price decrease by (5%) - FVOCI	(735.17)	(1,176.69)
Price increase by (5%) - FVTPL	-	-
Price decrease by (5%) - FVTPL	-	-

Note - 33

Capital management

Risk management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Net debts*	4,756.92	6,664.38
Total equity	30,725.24	37,866.04
Net debt to equity ratio	0.15	0.18

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

Note - 34

Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:

(a) Holding Company:

- M/s Anadi Investments Private Limited

(b) Subsidiary:

- Majestic IT Services Limited
- Emirates Technologies Private Limited

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

- Mr. Mahesh Munjal (Managing Director)
- Ms. Ashima Munjal (Joint Managing Director)
- Mr. Aayush Munjal (Whole Time Director)
- Ms. Juhi Garg (Company Secretary)
- Mr. Rajpal Singh Negi (Chief Financial Officer)

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

- M/s Munjal Showa Limited
- M/s OK Hosiery Mills Private Limited

ii) Transactions with related parties carried out in the ordinary course of business:

(₹ in lakhs)

S.No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives significant influence	Enterprise over which KMP exercise	
1	Interest paid	31 March 2020	-	-	-	-
		31 March 2019	-	8.65	-	8.65
2	Rent paid	31 March 2020	-	-	20.16	20.16
		31 March 2019	-	-	20.16	20.16
3	Electricity expenses	31 March 2020	-	-	0.66	0.66
		31 March 2019	-	-	0.90	0.90
4	Sitting fees	31 March 2019	-	1.94	-	1.94
		31 March 2018	-	1.94	-	1.94
4	Maintenance and management expenses	31 March 2020	600.00	-	3.36	603.36
		31 March 2019	520.00	-	3.36	523.36
5	Interest received	31 March 2020	165.48	-	-	165.48
		31 March 2019	125.41	-	-	125.41
6	Loan received	31 March 2020	-	-	-	-
		31 March 2019	-	458.65	-	458.65

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

S.No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives significant influence	Enterprise over which KMP exercise	
7	Loan given	31 March 2020	-	-	-	-
		31 March 2019	560.00	-	-	560.00
8	Security deposit given	31 March 2020	1,042.53	-	10.08	1,052.61
		31 March 2019	4,467.36	-	10.08	4,477.44
9	Remuneration paid*	31 March 2020	-	174.31	-	174.31
		31 March 2019	-	168.82	-	168.82

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Salaries and incentives	170.91	165.50
Gratuity	3.40	3.32

iii) Closing balance with related parties in the ordinary course of business :

(₹ in lakhs)

S.No	Particulars	Year	Related Parties			Total
			Subsidiary Company	Key Management Personnel and their relatives significant influence	Enterprise over which KMP exercise	
1	Security deposit given	31 March 2020	1,343.91	-	10.08	1,353.99
		31 March 2019	1,971.00	-	10.08	1,981.08
2	Trade Payable	31 March 2020	18.05	-	2.17	20.22
		31 March 2019	117.81	-	0.04	117.85
3	Remuneration payable	31 March 2020	-	4.58	-	4.58
		31 March 2019	-	4.41	-	4.41

Note - 35

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

Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
(a) Guarantees excluding financial guarantees;		
Bank guarantees	44.20	44.20
Total	44.20	44.20

Excise duty/sales tax paid under protest amounting to Nil (previous years 31 March 2019 Nil) is appearing under the head balance with government authorities.

- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursement in respect of the above contingent liabilities.
- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

Note - 36

Employee benefits

A Gratuity

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognized in the balance sheet (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of the obligation	29.61	23.87
Fair value of plan assets	4.13	3.84
Net obligation recognised in balance sheet as provision	25.48	20.02
Current liability (amount due within one year)	0.40	15.21
Non-current liability (amount due over one year)	25.08	4.81

ii) Expenses recognized in other comprehensive income (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial gain/(loss) on asset	-	-
Actuarial gain/(loss) on present benefit obligation	(2.35)	(4.97)
Unrecognised actuarial gain at the end of the year	(2.35)	(4.97)

iii) Actuarial (gain)/loss on obligation (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	0.02	-
- Changes in financial assumptions	3.50	0.17
- Changes in experience adjustment	(1.18)	4.80

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

Particulars	31 March 2020	31 March 2019
Current service cost	3.40	2.89
Net interest cost	1.53	1.58
Cost recognised during the year	4.94	4.47

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

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	23.87	24.08
Current service cost	3.40	2.89
Interest cost	1.83	1.86
Actuarial gain on obligation	2.35	4.97
Benefits paid	(1.83)	(9.92)
Present value of defined benefit obligation at the end of the year	29.62	23.87

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

vi) Change in plan assets is as under:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	3.84	3.57
Actual return on plan assets	0.29	0.27
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	4.13	3.84

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

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	100%	100%
Total	100%	100%

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

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	9.00%	9.00%
Retirement Age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (31 March 2019) IALM (2006 – 08))

viii) (b) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
0 to 1 year	0.40	0.34
1 to 2 year	0.99	0.40
2 to 3 year	0.54	0.43
3 to 4 year	3.67	0.43
4 to 5 year	1.14	0.43
5 to 6 year	0.46	0.74
6 year onwards	22.41	21.10

ix) Sensitivity analysis for gratuity liability

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	29.61	23.87
Impact due to increase of 0.50 %	(2.12)	(1.63)
Impact due to decrease of 0.50 %	2.36	1.81
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	29.61	23.87
Impact due to increase of 0.50 %	2.29	1.78
Impact due to decrease of 0.50 %	(2.08)	(1.62)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change due to these is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

Note - 37

Assets pledged as security

The carrying amounts of assets pledged as security are:

	(₹ in lakhs)	
Particulars	31 March 2020	31 March 2019
Non-current		
Second charge		
Investment in equity instruments valued through OCI	14,703.30	18,439.45
Total non-current assets pledged as security	14,703.30	18,439.45
Current		
First charge		
Margin money	60.29	57.23
Total current assets pledged as security	60.29	57.23
Total assets pledged as security	14,763.59	18,496.68

Note - 38

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

a) Operating segments

Management currently identifies the Company's three service lines as its operating segments as follows:

- Real estate & management services
- Rental

During the year ended 31 March 2018, the Company has discontinued the 'Fine Blanking Components' and 'Electrical' operations and have included in Discontinued Operations.

b) Segment revenue and expenses

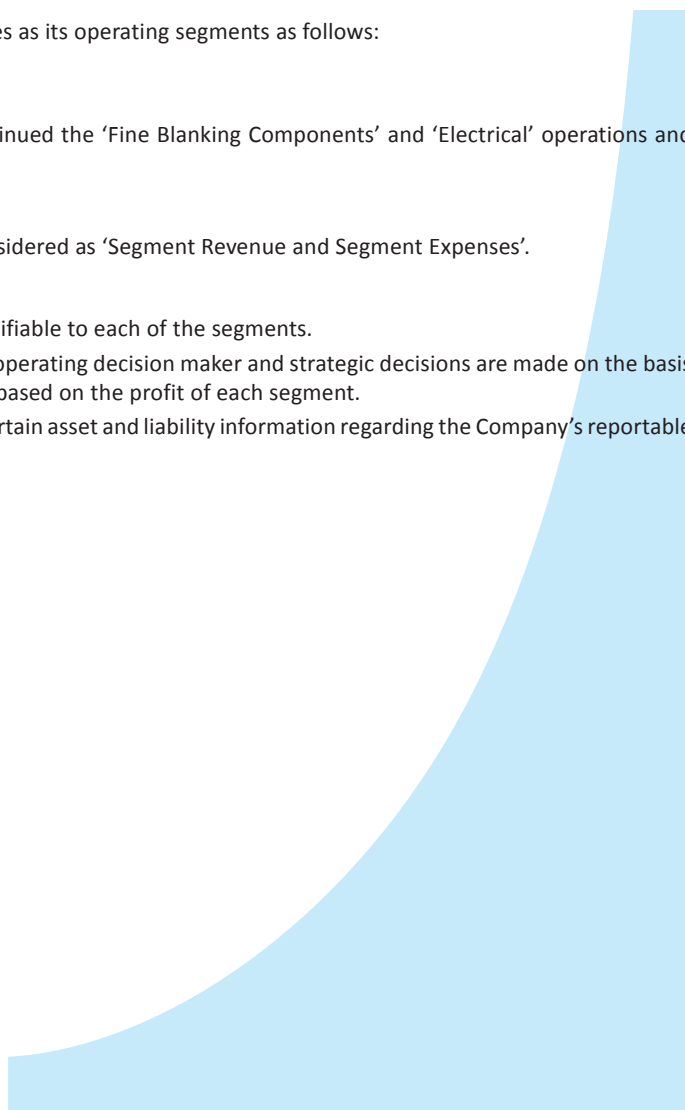
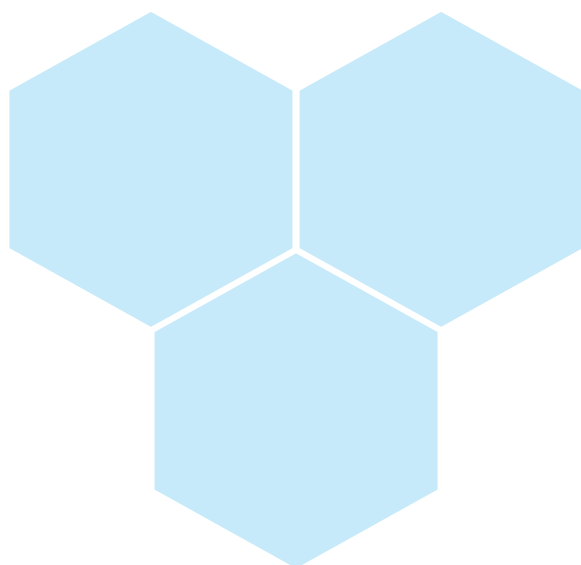
Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the Company's reportable segments for the years ended 31 March 2020 and 31 March 2019.



Majestic Auto Limited

Notes to the Standalone financial statements for the year ended 31 March 2020

(₹ in lakhs)

Particulars	Real estate & management services		Rental		Discontinued operations		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue								
Sales to external customers	2,899.39	8,145.58	367.37	-	-	240.98	3,266.76	8,386.56
Inter-segment sale	-	-	-	-	-	-	-	-
Segment revenue	2,899.39	8,145.58	367.37	-	-	240.98	3,266.76	8,386.56
Interest revenue	171.14	128.91	-	-	-	-	171.14	128.91
Interest expense	504.97	610.49	-	-	-	-	504.97	610.49
Depreciation and amortisation	97.97	79.42	114.33	-	-	-	212.30	79.42
Write-down of inventories	-	-	-	-	-	-	-	-
Disposal of investments	-	-	-	-	-	-	-	-
Reversal of provisions	-	-	-	-	-	-	-	-
Dividend revenue	893.37	874.95	-	-	-	-	893.37	874.95
Disposals of property, plant and equipment	-	-	-	-	-	(1,162.33)	-	(1,162.33)
Segment result (profit/(loss) before tax)	1,113.31	4,518.76	253.04	-	-	(1,262.55)	1,366.35	3,256.21
Income tax expense	1,148.64	(223.99)	-	-	-	(114.06)	1,148.64	(338.05)
Material non-cash items other than depreciation and amortisation.	-	-	-	-	-	-	-	-
Segment assets	31,317.63	45,047.26	4,980.39	-	-	195.34	36,298.02	45,242.60
Segment liabilities	5,385.39	7,255.36	187.39	-	-	121.20	5,572.78	7,376.56
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets	16.53	57.83	113.62	-	-	-	130.15	57.83

Geographical information

(₹ in lakhs)

Particulars	Revenue	
	31 March 2020	31 March 2019
India	3,178.68	8,145.58
China	88.08	-
Total	3,266.76	8,145.58

Information about major customer

During the year ended 31 March 2020 revenue of approximately 75.19% (previous year 31 March 2019: 63.42%) are derived from two external customer under 'Real Estate & Management Service Segment'.

For SAR & Associates

Chartered Accountants
Firm Registration No. 122400W

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

For and on behalf of Majestic Auto Limited

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

INDEPENDENT AUDITOR'S REPORT

To The Members of **MAJESTIC AUTO LIMITED**

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **MAJESTIC AUTO LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
<p>1. Accounting for investments</p> <p>The Company has investments aggregating ₹ 14,703.30 lakhs in equity shares, liquid mutual funds. These investments are measured either at Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment.</p> <p>Refer Notes 5A and 5B to the Consolidated Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> Read the minutes of the meeting of the board of directors. Performed test of controls on a sample basis on the operating effectiveness of internal controls on investments. Checked the Fair Market Value (FMV) of the investments in equity for arriving at FVTOCI.
<p>2. Assessment of recoverability of deferred tax asset</p> <p>As at 31 March 2020, the Group has recognized deferred tax liabilities of ₹ 4,327.10 lakhs (net) on deductible temporary differences, MAT credit and unused tax losses.</p> <p>Recognition of deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions.</p> <p>Considering, this involves significant judgment and estimates, the same has been considered as key audit matter.</p> <p>Refer Notes 8 and 19 to the Consolidated Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the process and tested the controls over recording of deferred tax and review of deferred tax at each reporting date; We tested the computation of the amounts recognized as deferred tax assets; We evaluated management's assumptions used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years, by comparing them against profit trends and future business plans; We assessed the disclosures on deferred tax included in Note 8 and 19 to the financial statements.
<p>3. Related party transaction</p> <p>The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include transactions in the nature of investments, loans, sales and purchases, etc. as disclosed in Note 35 to the Consolidated Financial Statements. Considering the significance of transactions with related parties and regulatory compliances thereon, related party transactions and its disclosure as set out in respective notes to the financial statements has been identified as key audit matter. Refer Notes 35 to the Standalone Financial Statements</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions; Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length; Tested, related party transactions with the underlying contracts, confirmation letters and other supporting documents; Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For SAR & Associates

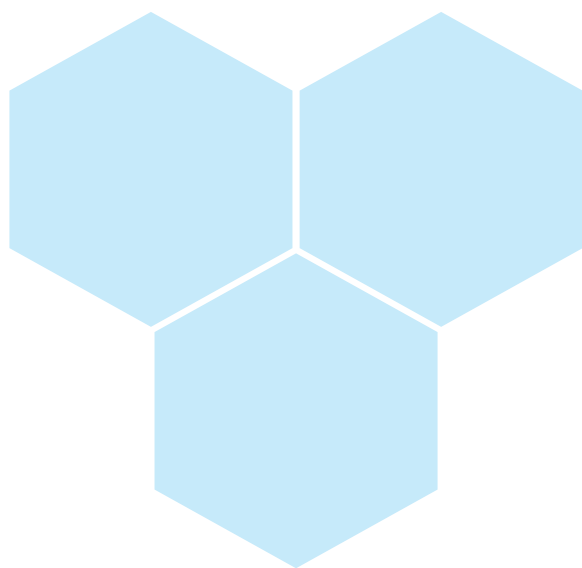
Chartered Accountants
Firm Registration no. 122400W

Sd/-

CA Anubhav Goyal
Partner

Membership No. 123328
ICAI UDIN – 20123328AAAAABA4889

Place: Delhi
Date: 29 June 2020



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of MAJESTIC AUTO LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary companies, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SAR & Associates
Chartered Accountants
Firm Registration no. 122400W
Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328
ICAI UDIN – 20123328AAAABA4889
Place: Delhi
Date: 29 June 2020

Majestic Auto Limited

Consolidated Balance sheet as at 31 March 2020

(₹ in Lakhs)

	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	2	2,396.29	2,477.02
Right-of-use assets	2	168.41	-
Investment property	3	28,440.91	28,981.38
Goodwill	4	4,087.37	4,087.37
Other Intangible assets	4	205.49	279.28
Financial assets			
Investment	5	14,703.30	23,533.85
Loans	6	247.35	159.57
Other financial assets	7	429.81	68.05
Deferred tax assets (net)	8	2,732.26	2,455.14
Non - current tax assets (net)	9	716.59	522.61
Other non-current assets	10	5.57	7.88
Total non-current assets		54,133.35	62,572.15
Current assets			
Inventories	11	221.71	207.25
Financial assets			
Investment	5	184.79	445.90
Loans	6	43.62	43.62
Trade receivables	12	279.08	347.83
Cash and cash equivalents	13	26.67	329.36
Other bank balances	14	60.29	57.23
Other financial assets	7	913.89	328.88
Other current assets	10	151.37	157.09
Total current assets		1,881.42	1,917.16
Total assets		56,014.77	64,489.31
Equity and liabilities			
Equity			
Equity share capital	15	1,039.82	1,039.82
Other equity	16	28,918.61	37,881.82
Equity attributable to the owners of the parent Company		29,958.43	38,921.64
Non-controlling interests		687.61	1,175.24
Total equity		30,646.04	40,096.88
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	17,332.14	20,759.71
Other financial liabilities	18	1,120.92	589.85
Deferred tax liabilities (net)	19	3,021.84	-
Provisions	20	47.87	35.53
Other non-current liabilities	21	449.43	364.79
Total non-current liabilities		21,972.20	21,749.88
Current liabilities			
Financial liabilities			
Borrowings	17	23.76	14.36
Trade payables	22	146.00	253.36
Other financial liabilities	18	2,895.91	1,933.13
Other current liabilities	21	317.97	429.24
Provisions	20	12.89	12.46
Total current liabilities		3,396.53	2,642.55
Total equity and liabilities		56,014.77	64,489.31

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

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

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

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited

Consolidated statement of profit and loss for the year ended 31 March 2020

			(₹ in Lakhs)
	Note	31 March 2020	31 March 2019
Revenue			
Revenue from operations	23	6,916.21	11,670.26
Other income	24	998.58	1,022.79
Total revenue		7,914.79	12,693.05
Expenses			
Cost of operation and services		1,190.83	2,789.02
Employee benefits expenses	25	449.78	445.34
Finance costs	26	2,009.32	2,160.74
Depreciation and amortisation expense	27	924.69	698.55
Other expenses	28	976.84	940.43
Total expenses		5,551.46	7,034.08
Profit before tax from continuing operations		2,363.33	5,658.97
Tax expense	29		
Current tax		234.33	770.91
Less : MAT Credit		(107.95)	(440.53)
Deferred tax		4,327.10	(320.46)
Earlier years tax adjustments (net)		-	(0.17)
Profit from continuing operations		(2,090.15)	5,649.22
Discontinued operations	30		
Loss from discontinued operation before tax		-	(1,262.55)
Tax expense/(credit) of discontinued operations		-	(114.06)
Loss from discontinued operation		-	(1,148.49)
Profit/(Loss) for the year		(2,090.15)	4,500.73
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		(4.53)	(11.32)
Less: Income tax expense relating to items that will not be reclassified to profit and loss		0.39	1.02
Gain/(Loss) on fair value of FVOCI equity instruments		(8,830.55)	(9,092.71)
Less: Income tax expense/(credit) relating to items that will not be reclassified to profit and loss		1,474.00	2,103.90
Total other comprehensive income for the year		(7,360.69)	(6,999.11)
Total comprehensive income for the year		(9,450.84)	(2,498.38)
Profit attributable to:			
Owners		(1,602.52)	4,360.27
Non-controlling interests		(487.63)	140.46
Other comprehensive income attributable to:			
Owners		(7,360.69)	(6,999.11)
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners		(8,963.21)	(2,638.84)
Non-controlling interests		(487.63)	140.46
Earnings per equity share (for continuing operations):	31		
Basic (₹)		(20.10)	54.33
Diluted (₹)		(20.10)	54.33
Earnings per equity share (for discontinued operations):			
Basic (₹)		-	(11.05)
Diluted (₹)		-	(11.05)
Earnings per equity share (for discontinued and continuing operations):			
Basic (₹)		(20.10)	43.28
Diluted (₹)		(20.10)	43.28

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

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

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited**Consolidated statement of changes in equity as at 31 March 2020****A Equity share capital***

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2018	Changes in equity share capital during the half year	Balance as at 31 March 2019	Opening balance as at 1 April 2019	Changes in equity share capital during the half year	Balance as at 31 March 2020
Equity share capital	1,039.82	-	1,039.82	1,039.82	-	1,039.82

B Other equity**

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Total other equity	Non-controlling interest	Total
	General reserve	Securities premium reserve	Retained earnings	Equity instruments through other comprehensive income			
Balance as at 1 April 2018	500.00	129.52	15,713.65	24,177.49	40,520.66	1,034.78	41,555.44
Profit for the period	-	-	4,360.27	-	4,360.27	140.46	4,500.73
Other comprehensive income (net of tax)	-	-	(10.30)	(6,988.81)	(6,999.11)	-	(6,999.11)
Transfer on disposal of equity investment	-	-	-	-	-	-	-
Balance as at 31 March 2019	500.00	129.52	20,063.62	17,188.68	37,881.82	1,175.24	39,057.06
Profit/(Loss) for the period	-	-	(1,602.52)	-	(1,602.52)	(487.63)	(2,090.15)
Other comprehensive income (net of tax)	-	-	(4.14)	(7,356.55)	(7,360.69)	-	(7,360.69)
Transfer on disposal of equity investment	-	-	-	-	-	-	-
Balance as at 31 March 2020	500.00	129.52	18,456.96	9,832.13	28,918.61	687.61	29,606.22

*Refer Note - 15 for details

**Refer Note - 16 for details

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

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

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited

Consolidated cash flow statement for the year ended 31 March 2020

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax from		
Continuing operations	2,363.33	5,658.97
Discontinued operations	-	(1,262.55)
Loss before tax including discontinued operations	2,363.33	4,396.42
Adjustments for:		
Depreciation on property, plant and equipment	924.69	698.55
Loss/(gain) on disposal of fixed assets (net)	6.63	1,159.20
Loss on investment classified as FVTPL	106.51	-
Interest income	(28.99)	(16.13)
Dividend income	(893.37)	(874.95)
Dividend on investment classified as FVTPL	(0.76)	-
Balances written off	-	34.90
Gain on investment classified as FVTPL	(32.14)	(15.90)
Allowance for doubtful debts/liability write back	(3.87)	(4.62)
Finance costs	2,009.32	2,160.74
Operating profit before working capital changes	4,451.35	7,538.21
Movement in working capital		
Decrease in inventories	(14.46)	305.41
(Increase)/decrease in other financial assets	(148.87)	206.91
Decrease/(increase) in trade receivables	68.75	621.50
(Increase)/decrease other non-current assets	2.31	(3.38)
Decrease in other current assets	5.72	180.06
Decrease in other financial liabilities	197.78	1,155.92
Increase/(decrease) in other non-current liability	84.64	218.14
Increase in other current liability	(111.26)	(107.35)
(Decrease)/increase in provisions	8.70	0.42
(Decrease)/increase in trade and other payables	(103.95)	(41.91)
Cash flow from operating activities post working capital changes	4,440.71	10,073.94
Income tax paid (net)	(428.86)	(220.94)
Net cash flow from operating activities (A)	4,011.85	9,853.00
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(29.75)	(66.21)
Payments for investment properties	(167.89)	(324.20)
Purchases of investments	(650.00)	(530.00)
Proceeds from disposal of property, plant and equipment, capital work-in-progress and intangible assets (net of advance)	8.35	761.69
Proceeds from sale of investments	813.42	102.63
Fixed bank deposits having original maturity more than 3 months	(780.00)	-
Redemption in margin money	(3.06)	(2.64)
Cash loans and advances	(86.12)	(1,264.28)
Dividend received	893.37	874.95
Interest received	32.34	3.50
Net cash flow from investing activities (B)	30.66	(444.56)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	13.05	4,199.57
Repayment of borrowings	(2,430.70)	(11,263.80)
Repayment of finance lease	(28.85)	(28.87)
Payment of lease liabilities	(57.41)	-
Interest paid	(1,841.30)	(2,024.68)
Net cash used in financing activities (C)	(4,345.21)	(9,117.78)
Decrease in cash and cash equivalents (A+B+C)	(302.69)	290.65
Cash and cash equivalents at the beginning of the year	329.36	38.71
Cash and cash equivalents at the end of the year	26.67	329.36

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

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

Sd/-
CA Anubhav Goyal
Partner
Membership No. 123328

Place: Ludhiana
Date: 29th June, 2020

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

Sd/-
(Rajpal Singh Negi)
Chief Financial Officer

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

Sd/-
(Mahesh Munjal)
Managing Director
DIN 00002990

Sd/-
(Naveen Jain)
Director
DIN 00051183

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

1. Corporate information

Majestic Auto Limited (the 'Company' or 'Parent') is a public company together with its subsidiaries (collectively referred to as 'Group') was engaged primarily in the business of manufacturing fine blanking components, electrical components and others. The Group discontinued its electrical and fine blanking business to curtail losses. The Group is also engaged in the business of leasing, provision of maintenance services and intends to focus on provision of these services in future. The Group is domiciled in India and its registered office is situated at 10, Southern Avenue, First Floor, Maharani Bagh, Delhi-110065, India.

1.1 Basis of preparation

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

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

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

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

The consolidated financial statements for the year ended 31 March 2020 were authorized and approved by the Board of Directors on 29 June 2020.

1.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

1.4 Significant accounting policies

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

a) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b) Inventory

Inventories are valued as follows:

Work in progress and finished goods

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

Raw material, components, stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Scrap

Scrap is valued at net realisable value.

Goods in transit

Goods in transit are valued at cost.

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

c) Property, plant and equipment

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

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

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

De-recognition

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

d) Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried cost less accumulated impairment losses.

Other intangibles

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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

Subsequent measurement (Amortisation and useful lives)

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

Intangible assets	Amortisation period
Computer software	5 years

De-recognition

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

e) Investment property

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference

between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period of de-recognition.

f) Impairment of non-financial assets

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

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

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

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

g) Borrowing costs

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

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Notes to the consolidated financial statements for the year ended 31 March 2020

cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Foreign currency transactions

Functional and presentation currency

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

Foreign currencies

Initial recognition

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

Subsequent measurement

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

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

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

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

i) Leases

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

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

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

- (iii) the Group has the right to direct the use of the asset.

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

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

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

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

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

Group as a lessor

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

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

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

k) Revenue recognition

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

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

Sale of goods and services

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

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

Dividend income

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

Interest income

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

Rental income

Rental income is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

l) Financial instruments

Recognition and initial measurement

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

Subsequent measurement

Financial assets

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

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

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

ii. **Investments in equity instruments**—Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

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

De-recognition of financial assets

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

Financial liabilities

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

m) Impairment of financial assets

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments

(including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

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

Other financial assets

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

n) Retirement and other employee benefits

Provident and Superannuation fund

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

Gratuity

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

Accumulated leaves

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other short-term benefits

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

o) Earnings per share

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

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

p) Taxes

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

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

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

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

to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

q) Segment reporting

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

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

r) Cash and cash equivalents

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

s) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

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

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

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

1.5 Significant management judgments in applying accounting policies and estimation uncertainty

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

Significant management judgments

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

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

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

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

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical

and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

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

Fair value measurements

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

Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance

sheet date.

1.6 Changes in significant accounting policies

The Group has applied Ind AS 116 Leases using the modified retrospective approach (for all leases other than short-term leases and leases of low-value assets) i.e. by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of equity as at 1 April, 2019. Due to transition method chosen by the Group in applying this standard, comparative information throughout these standalone financial statements has not been restated and continues to be reported under Ind AS 17.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

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Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 2

Property, plant and equipment

Particulars	Freehold land	Building	Plant and equipment	Computers	Furniture & fixtures	IT equipment	Office equipment	Vehicles	Total	Right of use assets
Gross block										
At 1 April 2018	-	4,539.11	2.06	21.91	152.35	9.88	272.34	341.68	5,339.33	-
Additions	-	-	-	0.51	2.25	-	7.03	56.42	66.21	-
Transferred to stock in trade/held for sale	-	(2,255.55)	-	-	-	-	-	-	(2,255.55)	-
Disposals/transfer	162.67	-	-	-	-	-	(27.78)	(64.43)	70.46	-
Balance as at 31 March 2019	162.67	2,283.56	2.06	22.42	154.60	9.88	251.59	333.67	3,220.45	-
Additions	-	-	6.71	1.26	0.70	-	21.08	-	29.75	215.45
Transferred to stock in trade	-	-	-	-	-	-	-	-	-	-
Disposals/transfer	-	-	-	-	-	-	-	(28.42)	(28.42)	-
Balance as at 31 March 2020	162.67	2,283.56	8.77	23.68	155.30	9.88	272.67	305.25	3,221.78	215.45
Accumulated depreciation										
At 1 April 2018	-	591.47	0.19	15.93	95.52	0.55	221.02	155.58	1,080.26	-
Charge for the year	-	35.88	0.18	2.34	6.37	1.56	10.75	35.91	92.99	-
Disposals/transfer	-	(351.30)	-	-	-	-	(26.39)	(52.13)	(429.82)	-
Balance as at 31 March 2019	-	276.05	0.37	18.27	101.89	2.11	205.38	139.36	743.43	-
Charge for the year	-	35.93	0.28	2.22	7.82	1.56	11.40	36.29	95.50	47.04
Disposals/transfer	-	-	-	-	-	-	-	(13.44)	(13.44)	-
Balance as at 31 March 2020	-	311.98	0.65	20.49	109.71	3.67	216.78	162.21	825.49	47.04
Net block as at 31 March 2019	162.67	2,007.51	1.69	4.15	52.71	7.77	46.21	194.31	2,477.02	-
Net block as at 31 March 2020	162.67	1,971.58	8.12	3.19	45.59	6.21	55.89	143.04	2,396.29	168.41

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

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

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

(ii) Discontinued operations

Depreciation for the current year includes depreciation for discontinued operations Nil (31 March 2019: Nil).

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Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 3

Investment property

(₹ in Lakhs)

Particulars	Plant and equipment	Furniture and fixtures	Leasehold land	Building	Assets given on lease to Tenants	Total
Gross block						
At 1 April 2018	142.92	632.82	5,223.37	26,286.31	-	32,285.42
Additions	9.45	6.35	-	2.29	306.11	324.20
Disposals/assets written off	-	-	-	-	-	-
Balance as at 31 March 2019	152.37	639.17	5,223.37	26,288.60	306.11	32,609.62
Additions	-	67.33	49.66	-	50.90	167.89
Disposals/assets written off	-	-	-	-	-	-
Balance as at 31 March 2020	152.37	706.50	5,273.03	26,288.60	357.01	32,777.51
Accumulated amortisation						
At 1 April 2018	8.60	359.48	321.30	2,405.82	-	3,095.20
Charge for the year	10.30	71.88	25.03	393.27	32.56	533.04
Adjustments for disposals	-	-	-	-	-	-
Balance as at 31 March 2019	18.90	431.36	346.33	2,799.09	32.56	3,628.24
Charge for the year	10.57	76.11	61.97	466.91	92.80	708.36
Adjustments for disposals	-	-	-	-	-	-
Balance as at 31 March 2020	29.47	507.47	408.30	3,266.00	125.36	4,336.60
Net block as at 31 March 2019	133.47	207.81	4,877.04	23,489.51	273.55	28,981.38
Net block as at 31 March 2020	122.90	199.03	4,864.73	23,022.60	231.65	28,440.91

(a) Contractual obligations

Refer Note - 36 for disclosure of contractual commitments for the acquisition of leasehold land and Note - 37 for finance leases disclosure.

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Rental income	4,016.82	3,524.68
Direct operating expenses generating rental income (including repair and maintenance)	2,290.09	2,135.71
Direct operating expenses that did not generate rental income (including repair and maintenance)	-	-
Profit from investment properties before depreciation	1,726.73	1,388.97
Depreciation	708.36	533.04
Profit from investment properties	1,018.37	855.93

(c) Leasing arrangements

The investment property is leased to tenants under long-term operating leases with rentals payable monthly. Future minimum lease payments receivable under long-term operating leases of investment property in the aggregate is ₹ 21,222.36 lakhs (31 March 2019: ₹ 21,3683.61 lakhs) and for each of the following period:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Within one year	3,901.70	3,504.47
Later than one year but not later than 5 years	11,732.28	11,930.69
Later than 5 years	5,588.37	5,933.45

(d) Fair value

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Fair value	46,124.64	36,459.54

(e) Fair value hierarchy and valuation technique:

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using the land and building method.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 4

Intangible assets

(₹ in lakhs)

Particulars	Intangible assets	Softwares	Trade mark and licenses	Total	Goodwill
Gross block					
At 1 April 2018	762.29	47.83	0.38	810.50	4,087.37
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	762.29	47.83	0.38	810.50	4,087.37
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	762.29	47.83	0.38	810.50	4,087.37
Accumulated amortisation					
At 1 April 2018	423.58	34.82	0.30	458.70	-
Charge for the year	70.04	2.44	0.04	72.52	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	493.62	37.26	0.34	531.22	-
Charge for the year	70.04	3.71	0.04	73.79	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	563.66	40.97	0.38	605.01	-
Net block as at 31 March 2019	268.67	10.57	0.04	279.28	4,087.37
Net block as at 31 March 2020	198.63	6.86	-	205.49	4,087.37

Note - 5

(₹ in lakhs)

	31 March 2020	31 March 2019
A Investments		
Investment in equity instruments		
Equity investment in others (quoted, at market value)		
Fair value through other comprehensive income		
921,000 (31 March 2019: 921,000) equity shares of Hero Moto Corp Ltd.	14,703.30	23,533.85
	14,703.30	23,533.85
Aggregate amount of quoted investments	1,891.85	1,891.85
Aggregate market value of quoted investments	14,703.30	23,533.85
Aggregate amount of impairment in the value of investments	-	-
* Equity investment in others valued at fair value through other comprehensive income have been pledged as security for liabilities, for details refer Note - 39		
B Investments - current		
Investment in Mutual Fund		
Investment carried at fair value through profit or loss (quoted, at market value)		
Nil (31 March 2019: 254) units in Franklin India Short Term Income Plan -Retail Plan Growth	-	10.14
49,103 (31 March 2019: 49,103) units in HDFC Short Term Debt Fund - REG Plan - GP	11.12	10.13
Nil (31 March 2019: 56,879) units in L&T Short Term Bond Fund - Growth	-	10.15
Nil (31 March 2019: 1,19,773) units in ICICI Pru Banking and PSU Debt Fund - GR	-	25.42
Nil (31 March 2019: 1,59,089) units in IDFC Bnking & PSU Debt Fund-RP-G	-	25.58
1,94,522 (31 March 2019: 1,94,522) units in Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	53.50	51.10
Nil (31 March 2019: 2,00,000) units in Master Trust iRage ARF Class A1	-	211.35
Nil (31 March 2019: 2,878) units in Axis Banking & PSU Debt Direct-G -invest	-	50.91
Nil (31 March 2019: 315,169) units in IDFC Banking & PSU Debt Direct-G	-	51.12
Investments held for sale (Fair value through profit loss)		
Investment in Mutual Fund (Quoted, market rate)	66.40	-
Investment in Equity of other entity (Quoted, market rate)	38.60	-
Investment in Derivatives (Quoted, market rate)	15.17	-
	184.79	445.90
Aggregate amount of quoted investments	219.58	430.00
Aggregate market value of quoted investments	184.79	445.90

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Notes to the consolidated financial statements for the year ended 31 March 2020

	31 March 2020	31 March 2019
Note - 6		
A Loans		
(Unsecured, considered good)		
Security deposits	247.35	159.57
	247.35	159.57
B Loans - current		
(Unsecured, considered good)		
Security deposits	43.62	43.62
	43.62	43.62

Note - 7

A Other financial assets - non-current		
(Unsecured, considered good)		
Unbilled receivables	149.81	68.05
Balance with banks in fixed deposit [^]	280.00	-
	429.81	68.05
B Other financial assets - current		
(Unsecured, considered good)		
Unbilled receivables	172.85	213.04
Balance with banks in fixed deposit [^]	600.00	-
Advances recoverable in cash	100.93	102.96
Accrued Income	6.82	12.63
MTM margin	22.91	-
Others	10.38	0.25
	913.89	328.88

[^]Lien marked for OD facility against Fixed deposit of Rs. 280 lakhs

[^]Lien marked for OD facility against Fixed deposit of Rs. 500 lakhs

[^]Lien marked for bank guarantee against Fixed deposit of Rs. 100 lakhs

Note - 8

Deferred tax assets (net)

Deferred tax asset arising on account of :

		(₹ in lakhs)
Minimum alternative tax credit *	1,504.41	1,643.49
Expected credit loss of financial asset	-	0.67
Financial instruments measured at amortised cost	0.10	0.20
Employee benefits	5.68	6.42
Allowances for doubtful debts	9.25	11.41
Conversion of capital assets into stock in trade	894.29	1,102.96
Right of use assets	1.42	-
Property, plant and equipment and other intangible assets	19.26	36.85
Unabsorbed business losses and depreciation**	3,297.59	4,194.33

Deferred tax liabilities arising on account of :

Financial instruments measured at amortised cost	(0.72)	(36.91)
Straightlining of rental income	(17.08)	(48.34)
Investment in fair value instruments measured at FVOCI	(2,981.94)	(4,455.94)
	2,732.26	2,455.14

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Movement in deferred tax assets (net)

Particulars	31 March 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	Minimum alternative tax credit utilised	31 March 2020
Assets					
Minimum alternative tax credit *	1,425.62	78.79	-	-	1,504.41
Expected credit loss of financial asset	0.67	(0.67)	-	-	-
Financial instruments measured at amortised cost	0.20	(0.10)	-	-	0.10
Employee benefits	6.42	(1.13)	0.39	-	5.68
Allowances for doubtful debts	11.41	(2.16)	-	-	9.25
Conversion of capital assets into stock in trade	1,102.96	(208.67)	-	-	894.29
Right of use assets	-	1.42	-	-	1.42
Property, plant and equipment and other intangible assets	36.85	(17.59)	-	-	19.26
Unabsorbed business losses and depreciation**	4,194.33	(896.74)	-	-	3,297.59
Liabilities					
Financial instruments measured at amortised cost	-	(0.72)	-	-	(0.72)
Straightlining of rental income	-	(17.08)	-	-	(17.08)
Investment in fair value instruments measured at FVOCI	(4,455.94)	-	1,474.00	-	(2,981.94)
Total	2,322.52	(1,064.65)	1,474.39	-	2,732.26

Particulars	1 April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Minimum alternative tax credit utilised	31 March 2019
Assets					
Minimum alternative tax credit *	1,242.45	440.54	-	(39.50)	1,643.49
Expected credit loss on financial assets	0.67	-	-	-	0.67
Financial instruments measured at amortised cost	0.17	0.03	-	-	0.20
Employee benefits	10.55	(5.15)	1.02	-	6.42
Allowances for doubtful debts	80.02	(68.61)	-	-	11.41
Conversion of capital assets into stock in trade	-	1,102.96	-	-	1,102.96
Property, plant and equipment and other intangible assets	(593.22)	630.07	-	-	36.85
Unabsorbed business losses and depreciation**	5,443.01	(1,248.68)	-	-	4,194.33
Liabilities					
Financial instruments measured at amortised cost	49.59	(12.68)	-	-	36.91
Straightlining of rental income	59.53	(11.19)	-	-	48.34
Investment in fair value instruments measured at FVOCI	6,559.84	-	(2,103.90)	-	4455.94
Total	(485.31)	875.03	2,104.92	(39.50)	2,455.14

* Expiry date of minimum alternative tax credit (₹ in lakhs)

Expiry year	31 March 2020	31 March 2019
1 April 2024 - 31 March 2025	23.68	23.68
1 April 2025 - 31 March 2026	115.83	115.83
1 April 2026 - 31 March 2027	64.79	64.79
1 April 2029 - 31 March 2030	773.83	773.83
1 April 2032 - 31 March 2033	6.95	6.95
1 April 2034 - 31 March 2035	440.53	440.53
1 April 2035 - 31 March 2036	78.79	-
Total	1,504.40	1,425.61

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

Expiry year	31 March 2020	31 March 2019
Unused tax losses		
1 April 2021 - 31 March 2022	-	304.84
1 April 2022 - 31 March 2023	1,716.46	1,924.89
1 April 2023 - 31 March 2024	2,550.81	2,616.50
1 April 2024 - 31 March 2025	903.84	903.84
1 April 2025 - 31 March 2026	1,541.39	1,541.39
1 April 2026 - 31 March 2027	1,291.46	1,291.46
1 April 2027 - 31 March 2028	2,194.08	2,203.71
Unabsorbed depreciation for indefinite period	9,804.43	10,246.90
Total	20,002.47	21,033.53

Note - 9

Non - current tax assets (net)		
Advance income tax	956.81	1,241.75
Less: Provision for taxation	(240.22)	(719.14)
	716.59	522.61

Note - 10

B Other non-current assets		
(Unsecured, considered good)		
Prepaid expenses	5.57	7.88
	5.57	7.88
B Other current assets		
(Unsecured, considered good)		
Advances to suppliers	42.14	59.34
Prepaid expenses	55.52	36.28
-Balance with Government Authority	-	-
-GST input	36.67	44.44
-Sales tax paid under dispute	1.17	1.17
-UP Pollution Board for advance license fee	1.00	1.00
-TCS recoverable	-	0.82
Service tax recoverable on DG	13.44	13.44
Others	1.43	0.60
	151.37	157.09

Note - 11

Inventories		
(Lower of cost or net realizable value)		
Raw materials and components	20.00	20.00
Stores and spares	46.99	40.98
Stock in Diesel	26.57	18.12
Real Estate		
Land	128.15	128.15
	221.71	207.25

Note - 12

Trade receivables		
(Unsecured, considered good)		
Considered good	279.08	347.83
Considered doubtful	55.42	55.42
	334.50	403.25
Less: Allowance for expected credit loss	(55.42)	(55.42)
	279.08	347.83

*for related party balances (refer Note - 35)

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Notes to the consolidated financial statements for the year ended 31 March 2020

	31 March 2020	31 March 2019
Note - 13		
Cash and cash equivalents		
Cash on hand	8.53	7.57
Balances with banks		
In current accounts	18.14	6.79
In fixed deposits	-	315.00
	26.67	329.36

Note - 14

Other bank balances		
Margin money *	60.29	57.23
	60.29	57.23

* Pledged as security for letters of credit/bank guarantees, for details refer Note - 39.

Note - 15**Equity share capital**

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
i Authorised				
15,000,000 Equity shares of 10/- each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
25,000,000 Preference shares of 10/- each	25,000,000	2,500.00	25,000,000	2,500.00
		4,000.00		4,000.00
ii Issued share capital				
Equity share capital of face value of 10 each	10,398,978	1,039.90	10,398,978	1,039.90
		1,039.90		1,039.90
iii Subscribed and fully paid up				
Equity share capital of face value of 10/- each	10,397,478	1,039.82	10,397,478	1,039.82
Add: Shares forfeited (amount paid up)	-	-	-	-
		1,039.82		1,039.82
iv Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares	Number	Amount	Number	Amount
Balance at the beginning of the year	10,397,478	1,039.82	10,397,478	1,039.82
Add : Shares forfeited during the year	-	-	-	-
Balance at the end of the year	10,397,478	1,039.82	10,397,478	1,039.82
v Rights, preferences and restrictions attached to equity shares				
The Group has one class of equity shares with paid up value of 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the Group, if declared by the board as interim dividend and recommended by the board & declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by group from time to time.				
In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, beside other rights available under the Companies Act.				
The distribution will be in proportion to the number of equity shares held by the shareholders.				
vi Details of shareholder holding more than 5% share capital				
Name of the equity shareholders	Number	%	Number	%
M/s Anandi Investments Private Limited	7,757,687	74.61%	7,757,687	74.61%

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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

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

No bonus shares have been issued in preceding 5 years.

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

Note - 16

Other equity

- (i) **Nature and purpose of other reserves**

General reserve

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

Retained earnings

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

Securities premium reserve

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

Other comprehensive income

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

Note - 17

(₹ in lakhs)

		31 March 2020	31 March 2019
A	Borrowings		
	Secured		
	Term loans		
	From bank	16,799.10	20,137.29
	Vehicle loan	16.39	23.94
	Long-term maturities of finance lease obligation	513.01	492.60
	Overdraft facility:		
	From banks	3.64	-
	Unsecured		
	From related parties	-	105.88
	From directors	-	-
		17,332.14	20,759.71

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2020	31 March 2019
Secured					
HDFC Bank - Term Loan	'Primary hypothecate by way of subservient charges on all movable plant and machinery, fixed assets both present and future of the Company and secondary by pledge of equity shares of Hero Motocorp Limited.	Quarterly instalments of 375 lakhs till November 2020. Repayable after one year or rollover for further period.	The rate of interest ranges from 7.00% to 10%.	1,125.00	2,250.00
HDFC Bank - Overdraft			The rate of interest ranges from 7% to 9.30%.	154.62	348.07
Deutsche Bank				2,741.25	3,246.33

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2020	31 March 2019
HDFC Bank - Term Loan	Assignment of lease rental receivables from lessee, equitable mortgage on land and building, personal guarantee of Mahesh Munjal and Aashima Munjal	Equal monthly instalment for 12 years	8.65% to 9.25%	14,451.47	14,872.94
Housing loan Punjab National Bank	Mortgage of flat no. C-100 (Block C), first floor, southern avenue, Maharani Bagh, New Delhi	180 equated monthly instalments of 11.05 lakhs each.	The rate of interest ranges from 8.00% to 9.75%.	726.39	793.18
Vehicle loan Canara Bank	Vehicle loan is secured by mortgage of vehicle of the Company	60 EMI of 0.54 lakhs each	The rate of interest ranges from 8.00% to 9.75%.	-	9.85
Canara Bank		84 EMI of 0.47 lakhs each		20.29	23.39
Drop line overdraft limit	Primary hypothecation on entire current assets including receivables. Collateral pledge of Hero Motocorp shares of 12.50 crores owned by Majestic Auto Limited. Personal guarantee of Directors Mahesh Munjal and Aashima Munjal.	Monthly reduction of limit by ' 10.40 lakhs in 96 months	The rate of interest ranges from 8.40% to 11.50%.	4.10	4.18
ODFD facility from AU small finance bank	'Lien on Fixed deposits of 780 lakh with bank	On demand	8.40%	3.64	-
Long term maturities of finance lease obligation	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments	10%	541.87	521.46
Unsecured Loan from Directors	Unsecured	Repayable as per terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of loans.	10% to 10.25%	-	105.88
				19,768.63	22,175.28
B Borrowings - current					
Secured					
Overdraft facility: From banks				23.76	14.36
				23.76	14.36

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Particulars	Nature of Security	Terms of repayment	Interest rate	31 March 2020	31 March 2019
Secured					
Bank overdraft	Primary hypothecation on entire current assets including receivables. Collateral - Personal guarantee of Directors Mahesh Munjal and Aashima Munjal.	On demand	The rate of interest ranges from 8.90% to 11.50%.	23.76	14.36
				23.76	14.36

Reconciliation of liabilities arising from financing activities

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

(₹ in lakhs)

Particulars	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
1 April 2018	28,197.08	535.33	502.91	29,235.32
Cash flows:				
- Repayment	(8,792.97)	(2,470.84)	(28.86)	(11,292.67)
- Proceeds	2,249.71	1,949.86	-	4,199.57
Non-cash:				
- Interest expense	-	-	47.41	47.41
31 March 2019	21,653.82	14.35	521.46	22,189.63
Cash flows:				
- Repayment	(2,430.70)	-	(86.26)	(2,516.96)
- Proceeds	3.64	9.41	-	13.05
Non-cash:				
- Acquisitions - lease liabilities	-	-	215.45	215.45
- Interest expense	-	-	71.68	71.68
31 March 2020	19,226.76	23.76	722.34	19,972.86

Note - 18

A Other financial liabilities - non-current		
Security deposits	997.86	589.85
Lease liabilities	123.06	-
	1,120.92	589.85
B Other financial liabilities - current		
Current maturity of long-term borrowings	2,407.63	1,386.71
Current maturities of finance lease obligations	28.86	28.86
Security deposits	234.47	353.88
Lease liabilities	57.41	-
Salary payable	16.53	15.90
Interest accrued but not due	60.61	56.46
Other payables*	90.40	91.32
	2,895.91	1,933.13

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

Note - 19

Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of :		
Property, plant and equipment, investment property and other intangible assets	3,213.64	-
Financial instruments measured at amortised cost	34.28	-
Investments carried at FVTPL	1.29	-
Straightlining of rental income	19.71	-
Deferred tax asset arising on account of :		
Minimum alternative tax credit *	(247.08)	-
	3,021.84	-

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(i) Movement in deferred tax liabilities (net)

(₹ in lakhs)

Particulars	31 March 2019	Recognised in statement of profit and loss	Minimum alternative tax credit utilised	31 March 2020
Liabilities				
Property, plant and equipment, investment property and other intangible assets	-	3,213.64	-	3,213.64
Financial liabilities measured at amortised cost	36.91	(2.63)	-	34.28
Investments carried at FVTPL	-	1.29	-	1.29
Straightlining of rental income	48.34	(28.63)	-	19.71
Assets				
Minimum alternative tax credit *	217.87	35.05	(5.84)	247.08
Total	(132.62)	3,148.62	5.84	3,021.84

Particulars	1 April 2018	Recognised in statement of profit and loss	Minimum alternative tax credit utilised	31 March 2019
Liabilities				
Property, plant and equipment, investment property and other intangible assets	-	-	-	-
Financial liabilities measured at amortised cost	49.59	(12.68)	-	36.91
Investments carried at FVTPL	-	-	-	-
Straightlining of rental income	59.53	(11.19)	-	48.34
Assets				
Minimum alternative tax credit *	257.37	-	(39.50)	217.87
Total	(148.25)	(23.87)	39.50	(132.62)

* Expiry date of minimum alternative tax credit

Expiry year	31 March 2020	31 March 2019
1 April 2029 - 31 March 2030	212.03	217.87
1 April 2036 - 31 March 2037	35.05	-
Total	247.08	217.87

Note - 20

A Provisions - non-current

Employees' post retirement/long-term benefits
Gratuity

47.87	35.53
47.87	35.53

B Provisions - current

Employees' post retirement/long-term benefits
Gratuity
Compensated absences
Provision for expenses

5.91	5.24
5.50	5.37
1.48	1.85
12.89	12.46

Note - 21

A Other non - current liabilities

Deferred income

449.43	364.79
449.43	364.79

B Other current liabilities

Statutory taxes payable
Advance received from customers
Deferred income
Others

107.68	74.25
56.77	49.05
103.14	82.84
50.38	223.10
317.97	429.24

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 22

Trade payables

(₹ in lakhs)

	31 March 2020	31 March 2019
Due to micro and small enterprises*	1.23	15.47
Due to others	144.77	237.89
	146.00	253.36

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019:

Particulars	31 March 2020	31 March 2019
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

(₹ in lakhs)

	31 March 2020	31 March 2019
Income from operations		
Sale of services		
Rental income	4,016.82	3,524.68
Real estate & management services	2,783.93	2,380.34
Revenue from sale of Land and constructed Properties	-	5,765.24
Sale of services - Export	88.08	-
Other operating income:		
Others	27.38	-
	6,916.21	11,670.26

Note - 24

Other income

Interest income		
- Income Tax Refunds	0.02	23.58
- Bank deposits	27.33	16.13
- Financial assets carried at amortised cost	1.80	1.76
Dividend received	893.37	874.95
Liabilities written back	3.87	2.57
Dividend on investment classified as FVTPL	0.76	-
Gain on investment classified as FVTPL	32.14	15.90
Profit on exchange fluctuation	1.81	-
Allowances for doubtful debts written back	-	2.05
Gain on disposal of property, plant and equipment (net)	-	3.13
Insurance claim received	1.22	3.24
Miscellaneous receipts	36.26	79.48
	998.58	1,022.79

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
Note - 25		
Employee benefits expense		
Salaries and incentives	401.54	394.66
Contributions to provident and other fund	43.45	43.55
Staff welfare expenses	4.79	7.13
	449.78	445.34
Note - 26		
Finance costs		
Interest on:		
- Term loan from banks	1,830.31	1,967.18
- Overdraft from banks	0.02	-
- Finance lease	49.26	47.41
- Financial instruments carried at amortised cost	92.19	82.43
- Lease liabilities	22.42	-
- Others	3.73	63.22
Bank commission and charges	11.39	0.50
	2,009.32	2,160.74
Note - 27		
Depreciation and amortisation expense		
Depreciation on:		
Property, plant and equipment	95.50	92.99
Investment property	708.36	533.04
Amortisation on:		
Intangible assets	73.79	72.52
Right-of-use assets	47.04	-
	924.69	698.55
Note - 28		
Other expenses		
Rent	1.08	60.57
House keeping and security	62.24	73.10
Business promotion	98.49	54.13
Repairs and maintenance		
- Buildings	348.90	272.48
- Diesel generator and chiller	8.26	12.11
- Others	7.30	6.52
Legal and professional	58.00	87.50
Printing and stationery	4.03	4.27
Auditor's remuneration		
- Statutory audit fee	4.75	4.75
Insurance	19.69	14.99
Commission and brokerage	5.25	58.17
Annual maintenance charge	38.95	35.36
Festival Expenses	3.71	4.58
Corporate social responsibility *	6.67	10.33
Travelling and conveyance	57.17	49.97
Water, electricity and fuel	24.41	29.66
Fine and penalties	6.60	2.63
Director's sitting fees	9.35	2.30
Balances written off	3.60	34.90
Rates and taxes	32.09	86.84
Listing and depository charges	3.90	3.40

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
Electrical and mechanical	29.21	0.80
Telephone and communication	6.13	9.04
Loss on disposal of fixed assets (net)	6.63	-
Loss on investment classified as FVTPL	106.51	-
Miscellaneous expenses	23.92	22.03
	976.84	940.43

*** Corporate social responsibility expenses**

In accordance with Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The CSR committee has been formed by the company as per Companies Act, 2013.

- a) Gross amount required to be spent by the company during the year is ₹ 15.12 lakhs (previous year ₹ 11.14 lakhs).
b) Amount spent during the financial year ended 31 March 2020 and 31 March 2019 on:

(₹ in lakhs)

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2020	-	-	-
	31 March 2019	-	-	-
On purpose other than above	31 March 2020	6.67	-	6.67
	31 March 2019	10.33	-	10.33

Note - 29

Income tax

Tax expense comprises of:

Current tax	234.33	770.91
Less : MAT Credit	(107.95)	(440.53)
Deferred tax charge	4,327.10	(320.46)
Earlier years tax adjustments (net)	-	-0.17
Income tax expense reported in the statement of profit and loss	4,453.48	9.75

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2019: 27.82%) and the reported tax expense in profit or loss are as follows:

Profit from continuing operations before income tax expense	2,363.33	5,658.97
Profit from discontinued operations before income tax expense	-	(1,262.55)
	2,363.33	4,396.42

At India's statutory income tax rate of 27.82% (31 March 2019: 27.82%)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Tax impact of exempted income	(185.88)	(450.43)
Tax impact of expenses which will never be allowed	1.90	263.38
Earlier years tax adjustments (net)	3,002.01	(90.62)
Allowable expenses	(7.71)	(1,315.07)
Effect of changes in tax rate	1,043.53	565.69
Tax impact of discontinued operations	-	(114.06)
Utilisation of previously unrecognised tax losses	(33.21)	(67.61)
Others	(24.63)	(4.62)
Income tax expense	4,453.48	9.75

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 30

Discontinued operations

(i) Description

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

(₹ in lakhs)

	31 March 2020	31 March 2019
(ii) Financial performance and cash flow information		
Total income	-	240.98
Total expenses	-	341.20
Loss before tax	-	(100.22)
(Loss)/profit on disposal of non-current assets of discontinued operation	-	(1,162.33)
Loss before tax from discontinued operations	-	(1,262.55)
Tax expense	-	-
Deferred tax expenses/(credit)	-	(114.06)
Earlier years tax adjustments (net)	-	-
Loss for the year from discontinued operations	-	(1,148.49)

Note - 31

Earnings per share

Net profit attributable to equity shareholders

Profit from continuing operations (A)

Weighted average number of equity shares for basic EPS (B)

Effect of dilution

Weighted average number of equity shares adjusted for the effect of dilution (C)

Basic EPS (I) (A/B)

Diluted EPS (I) (A/C)

Loss from discontinued operations (A)

Weighted average number of equity shares for basic EPS (B)

Effect of dilution

Weighted average number of equity shares adjusted for the effect of dilution (C)

Basic EPS (I) (A/B)

Diluted EPS (I) (A/C)

Profit from continuing operations and discontinued operations (A)

Weighted average number of equity shares for basic EPS (B)

Effect of dilution

Weighted average number of equity shares adjusted for the effect of dilution (C)

Basic EPS (I) (A/B)

Diluted EPS (I) (A/C)

Note - 32

Financial instruments by category

(i) Fair values hierarchy

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

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

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

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

Majestic Auto Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(ii) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI*	Amortised cost	FVTPL	FVOCI*	Amortised cost
Financial assets						
Investments						
Equity instruments	-	14,703.30	-	-	23,533.85	-
Mutual Fund	184.79	-	-	445.90	-	445.90
Trade receivables	-	-	279.08	-	-	347.83
Cash and cash equivalents	-	-	26.67	-	-	329.36
Other bank balances	-	-	60.29	-	-	57.23
Other financial assets	-	-	1,343.70	-	-	396.93
Security deposits	-	-	290.97	-	-	203.19
Total financial assets	184.79	14,703.30	2,000.71	445.90	23,533.85	1,334.54
Financial liabilities						
Borrowings	-	-	19,792.39	-	-	22,189.64
Trade payables	-	-	146.00	-	-	253.36
Other financial liabilities	-	-	1,580.34	-	-	1,107.41
Total financial liabilities	-	-	21,518.73	-	-	23,550.41

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

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

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2020 and 31 March 2019:

(₹ in lakhs)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income (quoted)					
Equity investments	31 March 2020	14,703.30	-	-	14,703.30
	31 March 2019	23,533.85	-	-	23,533.85
Investments carried at fair value through profit or loss (quoted)					
Mutual Fund	31 March 2020	131.02	-	-	131.02
	31 March 2019	445.90	-	-	445.90
Equity investments	31 March 2020	38.60	-	-	38.60
	31 March 2019	-	-	-	-
Derivatives	31 March 2020	15.17	-	-	15.17
	31 March 2019	-	-	-	-

(iv) Valuation technique used to determine fair value

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

(iv) Fair value of instruments measured at amortised cost

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

(₹ in lakhs)

Particulars	Level	31 March 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposits	Level 3	290.97	290.97	203.19	203.19
Other financial assets	Level 3	322.66	322.66	281.09	281.09
Total financial assets		613.63	613.63	484.28	484.28

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(₹ in lakhs)

Particulars	Level	31 March 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial liabilities					
Borrowings	Level 3	19,250.52	19,250.52	21,668.18	21,668.18
Finance lease obligations	Level 3	541.87	503.63	521.46	484.64
Other financial liabilities	Level 3	1,232.33	1,232.33	943.73	943.73
Total financial liabilities		21,024.72	20,986.48	23,133.37	23,096.55

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

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Group interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2020 was assessed to be insignificant.

Note - 33

Financial risk management

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

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

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low

B: Medium

C: High

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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

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

Life time expected credit loss is provided for trade receivables.

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

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

(₹ in lakhs)

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	1,721.63	986.71
B: Medium	Trade receivables	334.50	403.25

ii) Concentration of trade receivables

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Auto components	62.53	62.57
Consumer electronics	42.33	64.43
IT Industry	106.75	162.73
Telecom industry	9.16	5.47
Others	113.72	108.05
Total	334.50	403.25

b) Credit risk exposure

(i) Provision for expected credit losses

The Group provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets-

As at 31 March 2020

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	26.67	-	26.67
Trade receivables	334.50	(55.42)	279.08
Other bank balances	60.29	-	60.29
Loans	290.97	-	290.97
Other financial assets	1,343.70	-	1,343.70

As at 31 March 2019

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	329.36	-	329.36
Trade receivables	403.25	(55.42)	347.83
Other bank balances	57.23	-	57.23
Loans	203.19	-	203.19
Other financial assets	396.93	-	396.93

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

(ii) Expected credit loss for trade receivables under simplified approach

The Group trade receivables pertaining to income from sale of products and services has higher credit risk and accordingly allowance for expected credit loss is created using provision matrix approach.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Gross amount of trade receivables	334.50	403.25
Expected loss rate	16.57%	13.74%
Expected credit loss (loss allowance provision)	55.42	55.42

Reconciliation of loss provision – lifetime expected credit losses

(₹ in lakhs)

Reconciliation of loss allowance

Trade
receivables

Loss allowance as on 1 April 2018	276.74
Impairment loss recognised/reversed during the year	(2.05)
Amounts written off	(219.27)
Loss allowance on 31 March 2019	55.42
Impairment loss recognised/reversed during the year	-
Amounts written off	-
Loss allowance on 31 March 2020	55.42

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

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

(₹ in lakhs)

31 March 2020	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	3,906.69	2,669.40	8,111.76	10,097.82	24,785.67
Obligations under finance lease	28.86	28.86	86.58	13,927.20	14,071.50
Trade payable	146.00	-	-	-	146.00
Security deposits	356.22	6.95	610.23	2,303.71	3,277.11
Lease liabilities	57.66	60.43	73.32	49.44	240.84
Other financial liabilities	144.18	-	-	-	144.18
Total	4,639.61	2,765.63	8,881.89	26,378.17	42,665.30

(₹ in lakhs)

31 March 2019	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Non-derivative					
Borrowings	3,193.51	3,784.31	8,061.18	13,319.30	28,358.29
Obligations under finance lease	28.86	28.86	86.58	13,956.06	14,100.36
Trade payable	253.36	-	-	-	253.36
Security deposits	372.38	109.21	268.42	670.54	1,420.54
Other financial liabilities	107.22	-	-	-	107.22
Total	3,955.33	3,922.38	8,416.17	27,945.90	44,239.78

Majestic Auto Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

The Group had access to following funding facilities :

As at 31 March 2020

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	5,389.14	2,782.81	2,606.32
1-2 years	1,445.66	1,445.66	-
Above 2 years	14,979.66	14,271.76	707.90
Total	21,814.46	18,500.24	3,314.22

As at 31 March 2019

(₹ in lakhs)

Particulars	Total Facility	Drawn	Undrawn
Less than 1 year	5,489.39	2,069.31	3,420.09
1-2 years	2,435.16	2,435.16	-
Above 2 years	16,237.24	16,231.42	5.82
Total	24,161.80	20,735.89	3,425.91

(C) Market risk
(i) Interest rate risk
a. Liabilities

The Group fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Variable rate borrowing	19,250.52	21,668.18
Fixed rate borrowing	541.87	521.46
Total borrowings	19,792.39	22,189.64

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Interest rates – increase by 25 basis points	(48.13)	(54.17)
Interest rates – decrease by 25 basis points	48.13	54.17

(ii) Price risk

The Group exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group profit for the year -

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Price sensitivity		
Price increase by (5%) - FVOCI	735.17	1,176.69
Price decrease by (5%) - FVOCI	(735.17)	(1,176.69)
Price increase by (5%) - FVTPL	9.24	22.30
Price decrease by (5%) - FVTPL	(9.24)	(22.30)

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 34

Capital management

Risk management

The Group objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Net debts*	19,766.04	21,859.51
Total equity	30,646.04	40,096.88
Net debt to equity ratio	0.64	0.55

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

Note - 35

Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:

(a) Holding Company:

- M/s Anadi Investments Private Limited

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

- Mr. Mahesh Munjal (Managing Director)
- Ms. Ashima Munjal (Joint Managing Director)
- Mr. Aayush Munjal (Whole Time Director)
- Ms. Juhi Garg (Company Secretary)
- Mr. Rajpal Singh Negi (Chief Financial Officer)

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

- M/s Munjal Showa Limited
- M/s OK Hosiery Mills Private Limited

ii) Transactions with related parties carried out in the ordinary course of business:

(₹ in lakhs)

S.No	Particulars	Year	Related Parties		Total
			Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Interest paid	31 March 2020	3.73	-	3.73
		31 March 2019	51.11	-	51.11
2	Electricity expenses	31 March 2020	-	9.74	9.74
		31 March 2019	-	10.15	10.15
3	Loan received	31 March 2020	-	-	-
		31 March 2019	1,746.56	-	1,746.56
4	Maintenance and management expenses	31 March 2020	-	4.60	4.60
		31 March 2019	-	4.60	4.60

Majestic Auto Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

S.No	Particulars	Year	Related Parties		Total
			Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
5	Remuneration paid*	31 March 2020	263.39	-	263.39
		31 March 2019	226.48	-	226.48
6	Rent paid	31 March 2020	-	57.41	57.41
		31 March 2019	-	57.41	57.41
7	Sitting Fees	31 March 2020	4.10	-	4.10
		31 March 2019	0.40	-	0.40
8	Security deposit given	31 March 2020	-	-	-
		31 March 2019	-	10.08	10.08

iii) Closing balance with related parties in the ordinary course of business :

(₹ in lakhs)

S.No	Particulars	Year	Related Parties		Total
			Key Management Personnel and their relatives	Enterprise over which KMP exercise significant influence	
1	Loan taken	31 March 2020	-	-	-
		31 March 2019	105.88	-	105.88
2	Security deposit	31 March 2020	-	29.32	29.32
		31 March 2019	-	29.32	29.32
3	Trade Payable	31 March 2020	-	3.07	3.07
		31 March 2019	-	0.04	0.04
4	Remuneration payable	31 March 2020	11.53	-	11.53
		31 March 2019	10.15	-	10.15

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
salary & incentive	263.39	223.16
Leave encashment	-	1.76
Gratuity	8.57	11.23
	271.96	236.15

Note - 36
Contingent liabilities and commitments (to the extent not provided for)
Contingent liabilities shall be classified as under:-

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
(b) Guarantees excluding financial guarantees;		
Bank Guarantees	44.20	44.20
Total	44.20	44.20

Excise duty/sales tax paid under protest amounting to Nil (previous years 31 March 2019: Nil lakhs) is appearing under the head balance with government authorities.

- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Group does not expect any reimbursement in respect of the above contingent liabilities.
- Future cash outflows in respect of the above are determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

B Capital commitments:

Capital expenditure contracted for investment property at the end of the reporting period but not recognised as liabilities is ₹ 14,071.50 lakhs (31 March 2019: ₹ 14,100.36 lakhs)

Note - 37**Leases disclosure as lessee****Finance leases**

The Group has taken land on finance lease of investment property. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease are, as follows:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Within one year	28.86	28.86
Later than one year but not later than 5 years	158.73	115.44
Later than 5 years	13,883.91	13,956.06

Present value of the minimum lease payments are, as follows:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Within one year	19.71	23.85
Later than one year but not later than 5 years	80.84	75.61
Later than 5 years	269.55	316.18
Amounts representing finance charges	13,701.40	13,684.72

Note - 38**Employee benefits****A Gratuity****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognized in the balance sheet

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of the obligation	57.91	44.61
Fair value of plan assets	4.13	3.84
Net obligation recognised in balance sheet as provision	53.78	40.77
Current liability (amount due within one year)	5.91	20.11
Non-current liability (amount due over one year)	47.87	20.65

ii) Expenses recognized in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial gain/(loss) on asset	-	-
Actuarial gain/(loss) on present benefit obligation	(4.53)	(11.32)
Unrecognised actuarial gain at the end of the year	(4.53)	(11.32)

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

iii) Actuarial (gain)/loss on obligation (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	0.03	-
- Changes in financial assumptions	6.18	0.29
- Changes in experience adjustment	(1.68)	11.04

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

Particulars	31 March 2020	31 March 2019
Current service cost	7.19	5.84
Interest cost	3.12	2.52
Cost recognised during the year	10.32	8.37

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

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	44.61	36.30
Current service cost	7.19	5.84
Interest cost	3.42	2.80
Actuarial gain on obligation	4.53	11.32
Benefits paid	(1.83)	(11.65)
Present value of defined benefit obligation at the end of the year	57.92	44.61

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

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	3.84	3.57
Actual return on plan assets	0.29	0.27
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	4.13	3.84

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

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	100%	100%
Total	100%	100%

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

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	5.50% - 9.00%	5.50% - 9.00%
Retirement Age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (31 March 2019: IALM (2006 – 08))

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

Particulars	31 March 2020	31 March 2019
0 to 1 year	5.91	5.24
1 to 2 year	1.88	0.69
2 to 3 year	0.99	1.04
3 to 4 year	4.23	0.74
4 to 5 year	1.60	0.74
5 to 6 year	0.90	1.05
6 year onwards	42.39	35.10

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

ix) Sensitivity analysis for gratuity liability		(₹ in lakhs)	
Particulars	31 March 2020	31 March 2019	
a) Impact of the change in discount rate			
Present value of obligation at the end of the year	57.91	44.61	
Impact due to increase of 0.50 %	(3.74)	(2.78)	
Impact due to decrease of 0.50 %	4.14	3.07	
b) Impact of the change in salary increase			
Present value of obligation at the end of the year	57.91	44.61	
Impact due to increase of 0.50 %	4.08	3.06	
Impact due to decrease of 0.50 %	(3.73)	(2.80)	

Sensitivities due to mortality and withdrawals are not material. Hence impact of change due to these is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

Note - 39

Assets pledged as security

The carrying amounts of assets pledged as security are:

		(₹ in lakhs)	
Particulars	31 March 2020	31 March 2019	
Non-current			
Second charge			
Investment in equity instruments valued through OCI	14,703.30	18,439.45	
Total non-current assets pledged as security	14,703.30	18,439.45	
Current			
First charge			
Margin money	60.29	57.23	
Total current assets pledged as security	60.29	57.23	
Total assets pledged as security	14,763.59	18,496.68	

Note - 40

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

a) Operating segments

Management currently identifies the Group's three service lines as its operating segments as follows:

- Real estate & management services
- Rental

During the year ended 31 March 2018, Group has discontinued the 'Fine Blanking Components' and 'Electrical' operations and have included in Discontinued Operations.

b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2020 and 31 March 2019.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Particulars	Real estate & management services		Rental		Discontinued operations		Unallocated		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue										
Sales to external customers	3,499.39	8,665.58	4,016.82	3,524.68	-	240.98	-	-	7,516.21	12,431.24
Inter-segment sale	(600.00)	(520.00)	-	-	-	-	-	-	(600.00)	(520.00)
Segment revenue	2,899.39	8,145.58	4,016.82	3,524.68	-	240.98	-	-	6,916.21	11,911.24
Interest revenue	27.35	22.20	-	17.51	-	-	-	-	27.35	39.71
Interest expense	302.05	442.56	1,707.27	1,718.18	-	618.40	-	-	2,009.32	2,779.14
Depreciation and amortisation	216.33	157.76	708.36	540.79	-	518.98	-	-	924.69	1,217.53
Write-down of inventories	-	-	-	-	-	35.94	-	-	-	35.94
Disposal of Investments (If any)	-	-	-	-	-	-	-	-	-	-
Discontinued Operations (If any)	-	-	-	-	-	-	-	-	-	-
Reversal of provisions	-	2.05	-	-	-	130.06	-	-	-	132.11
Dividend revenue	893.37	874.95	-	-	-	-	-	-	893.37	874.95
Disposals of property, plant and equipment	-	-	-	-	-	(1,162.33)	-	-	-	(1,162.33)
The Entity's Interest in the Profit or Loss of Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Segment result (profit/(loss) before tax)	1,497.48	4,722.75	865.85	936.22	-	(1,262.55)	-	-	2,363.33	4,396.42
Income tax expense	1,149.48	(224.16)	3,304.00	233.91	-	(114.06)	-	-	4,453.48	(104.31)
Material non-cash items other than depreciation and amortisation.	-	-	-	-	-	-	-	-	-	-
Segment assets	22,517.47	34,911.69	29,409.93	25,294.91	-	195.34	4,087.37	4,087.37	56,014.77	64,489.31
Segment liabilities	5,723.43	7,222.96	19,645.30	17,048.27	-	121.20	-	-	25,368.73	24,392.43
Additions to non-current Assets other than financial instruments, deferred tax assets, net defined benefit assets	29.75	61.95	167.89	328.46	-	-	-	-	197.64	390.41

(i) Geographical segment analysis

Particulars	Revenue	
	31 March 2020	31 March 2019
India	6,828.13	11,670.26
China	88.08	-
Total	6,916.21	11,670.26

(ii) Information about major customer

During the year ended 31 March 2020 revenue of approximately 77.49% (previous year 31 March 2019: 61.72% under) are derived from two external customer under 'Rental' & 'Real Estate & Management Service Segment'.

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 41

Interest in other entities

Subsidiaries

The Group's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group.

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			31 March 2020	31 March 2019	
Majestic IT Services Limited	India	INR	100%	100%	Facility management
Emirates Technologies Private Limited	India	INR	80%	services 80%	Rental services

Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Proportion of ownership interests and voting rights held by NCI		Total comprehensive income allocated to NCI	
	31 March 2020	43,555.00	31 March 2020	31 March 2019
Emirates Technologies Private Limited	20%	20%	(487.63)	140.46

Summarised financial information for Emirates Technologies Private Limited is set out below:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Non-current assets	24,273.99	24,794.38
Current assets	257.89	500.53
Total assets	24,531.88	25,294.91
Non-current liabilities	19,242.09	18,193.83
Current liabilities	1,851.71	1,224.85
Total liabilities	21,093.80	19,418.68
Equity attributable to the owners of the parent Company	3,438.08	5,876.23
Non-controlling interests	687.61	1,175.24

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Revenue	(2,438.15)	702.31
Profit for the year attributable to the owners of the Parent	(1,950.52)	561.85
Profit for the year attributable to non-controlling interest	(487.63)	140.46
Profit for the year	(2,438.15)	702.31
Other comprehensive income	-	-
Total comprehensive income attributable to the owners of the Parent	(1,950.52)	561.85
Total comprehensive income attributable to non-controlling interest	(487.63)	140.46
Total comprehensive income	(2,438.15)	702.31

Majestic Auto Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 42

Additional information in pursuant to Schedule III of the Companies Act, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in lakhs	As % of consolidated profit or loss	Amount in lakhs	As % of consolidated other comprehensive income	Amount in lakhs	As % of consolidated total comprehensive income	Amount in lakhs
Parent								
Majestic Auto Limited	79.84%	24,469.10	-31.20%	652.23	99.97%	(7,358.51)	70.96%	(6,706.28)
Indian subsidiaries								
Majestic IT Services Limited	4.21%	1,290.36	24.93%	(520.97)	0.03%	(2.18)	5.54%	(523.15)
Emirates Technologies Private Limited	13.70%	4,198.97	82.95%	(1,733.78)	0.00%	-	18.35%	(1,733.78)
Non-controlling interest in subsidiary	2.24%	687.61	23.33%	(487.63)	0.00%	-	5.16%	(487.63)
Total	100.00%	30,646.04	100.00%	(2,090.15)	100.00%	(7,360.69)	100.00%	(9,450.84)

For SAR & Associates

Chartered Accountants

Firm Registration No. 122400W

Sd/-

CA Anubhav Goyal

Partner

Membership No. 123328

Place: Ludhiana

Date: 29th June, 2020

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

Sd/-

(Rajpal Singh Negi)

Chief Financial Officer

Sd/-

(Juhi Garg)

Company Secretary

M.No. 35389

Sd/-

(Mahesh Munjal)

Managing Director

DIN 00002990

Sd/-

(Naveen Jain)

Director

DIN 00051183



MAJESTIC

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