



MAJESTIC

AUTO LIMITED

A HERO GROUP COMPANY

Report  Junction.com

ANNUAL REPORT

2008-2009

MAJESTIC AUTO LIMITED**BOARD OF DIRECTORS**

O. P. Munjal	Chairman
G. P. Sood	Non Executive & Independent Director
Dr. D.R. Singh	Non Executive & Independent Director
Dr. M.A. Zahir	Non Executive & Independent Director
Harjeet Singh Arora	Non Executive & Independent Director
Vijay Munjal	Non Executive Director
Suman Kant Munjal	Non Executive Director
Mahesh Chander Munjal	Managing Director

AUDIT COMMITTEE

G. P. Sood	Chairman
Dr. D. R. Singh	Member
Suman Kant Munjal	Member

REMUNERATION COMMITTEE

G. P. Sood	Chairman
Dr. D. R. Singh	Member
Suman Kant Munjal	Member

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Dr. D. R. Singh	Chairman
Suman Kant Munjal	Member
Mahesh Chander Munjal	Member

**ASSOCIATE VICE PRESIDENT (FINANCE)
- CUM - COMPANY SECRETARY**

Rajesh Kumar Dang

STATUTORY AUDITORS

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

BANKERS

Canara Bank
Punjab National Bank
IDBI Bank Ltd.
State Bank of Patiala

REGISTERED OFFICE

C-48, Focal Point,
Ludhiana - 141 010

WORKS

C-48, Focal Point,
Ludhiana - 141 010

C-59, Focal Point,
Ludhiana - 141 010

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MAJESTIC AUTO LIMITED**NOTICE**

Notice is hereby given that the 36th Annual General Meeting of the members of Majestic Auto Limited will be held on Tuesday, the 22nd September, 2009 at 12.30 p.m. at the premises of Hero Cycles Limited, Hero Nagar, G.T. Road, Ludhiana-141003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Sh. O.P. Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Dr. D.R. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Vijay Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED that Dr. M.A. Zahir, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retirement by rotation."

7. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED that S. Harjeet Singh Arora, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded to the re-appointment of Sh. Mahesh Chander Munjal as Managing Director of the Company for a period of 3 years w.e.f. 29.10.2009 on the terms and conditions including remuneration as set out in draft agreement to be entered with him, as placed before the meeting, extract of which is set out in Explanatory Statement attached to the Notice convening this meeting, which agreement is hereby sanctioned and approved with liberty to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment and / or agreement including remuneration payable to the Managing Director in such manner as may be agreed to between the Board of Directors and Sh. Mahesh Chander Munjal provided that alteration / variation shall be within the limits specified in Schedule XIII to the Act, including any modification, amendment or re-enactment thereof".

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

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to any amendment to the said agreement and are empowered to make such improvements in the terms of remuneration of Sh. Mahesh Chander Munjal, from time to time, as may at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Act including any amendment thereto or any re-enactment thereof, the intention being that no further approvals of the members of the Company will be required, so long as the remuneration of the

MAJESTIC AUTO LIMITED

Managing Director to be fixed by the Board of Directors, from time to time, during his term, is not in excess of maximum permissible limits under the relevant laws, rules, regulations, guidelines or notifications as may be promulgated or issued after the date of this meeting."

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

Place : Ludhiana

Date : 25.07.2009

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

(**Rajesh Kumar Dang**)

Company Secretary

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
- The Register of Members and the Shares Transfer Books of the Company will remain closed from Thursday, 17.09.2009 to Tuesday, 22.09.2009 (both days inclusive).
- The relevant details of Item Nos. 2 to 4 and 6 to 8 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours upto the date of the Annual General Meeting.
- Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.
- Members / Proxies should bring the Attendance slip sent herewith duly filled in for attending the Annual General Meeting.
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the Investors Education and Protection Fund, constituted by the Central Government and the shareholders would not be able to claim any amount of dividend so transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company for the financial period 2004-2005.
- Pursuant to the provisions of Section 109A of the Companies Act, 1956, every shareholder or joint holders may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
- Members are requested to notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
- The Company has designated an exclusive e-mail ID namely, **grievance@heromajestic.com** for receiving and addressing investors' grievances.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO.6 OF THE SPECIAL BUSINESS:

The Board of Directors of the Company in its meeting held on 27.01.2009 appointed Dr. M.A. Zahir as an Additional Director of the Company pursuant to the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with Article 131 of the Articles of Association of the Company, Dr. M.A. Zahir will hold office of Additional Director upto the ensuing Annual General Meeting. The Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Dr. M.A. Zahir as a Director of the Company.

Accordingly, your approval is solicited for his appointment as a Director liable to retire by rotation.

Memorandum of Interest:

None of the Directors except Dr. M.A. Zahir, the appointee himself, is concerned or interested in this resolution.

ITEM NO.7 OF THE SPECIAL BUSINESS:

The Board of Directors of the Company in its meeting held on 27.01.2009 appointed S. Harjeet Singh Arora as an Additional Director of the Company pursuant to the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with Article 131 of the Articles of Association of the Company, S. Harjeet Singh Arora will hold office of Additional Director upto the ensuing Annual General Meeting. The Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of S. Harjeet Singh Arora as a Director of the Company.

MAJESTIC AUTO LIMITED

Accordingly, your approval is solicited for his appointment as a Director liable to retire by rotation.

Memorandum of Interest:

None of the Directors except S. Harjeet Singh Arora, the appointee himself, is concerned or interested in this resolution.

ITEM NO.8 OF THE SPECIAL BUSINESS:

The Board of Directors of the Company in its meeting held on 25.07.2009, has re-appointed Sh. Mahesh Chander Munjal as Managing Director of the Company subject to the approval of shareholders for a period of 3 years w.e.f. 29.10.2009 to 28.10.2012 at the remuneration in accordance with the norms laid down in Schedule XIII and all other applicable provisions of the Companies Act, 1956 as reproduced herein below:-

1. **Basic Salary :**
Salary @ Rs.2,50,000/- per month in the scale of 2,50,000 – 25,000 – 3,25,000/- per month .
2. **Bonus :**
As per Company Rules.
3. **Commission :**
Commission shall be decided by the Board of Directors based on net profit of the Company each year and the same shall not exceed 1% of net profits of the Company subject to the condition that the aggregate remuneration to the Managing Director, shall not exceed the limits laid down under Section 198, 309 and Schedule XIII to the Companies Act, 1956.
4. **Perquisites and allowances :**
In addition to the above Basic Salary, Bonus and Commission, he shall be entitled to the following perquisites and allowances:-
 - i) **Residential Accommodation :** The appointee shall be provided rent free furnished residential accommodation with free use of all the facilities and amenities provided by the Company ;
 - ii) **Medical Reimbursement :** Reimbursement of actual Medical Expenses incurred by the appointee and his family ;
 - iii) **Club Fees :** Actual fees of clubs subject to maximum of two clubs will be reimbursed ;
 - iv) **Personal Accident Insurance :** Actual premium to be paid by the Company;
 - v) **Insurance of House-hold goods :** Actual premium to be paid by the Company ;
 - vi) **Car :** Facility of Car with driver to be used for the business of the Company ;
 - vii) **Telephone :** Free telephone facility including Mobile Phone at residence to be used for the business of the Company ;
 - viii) **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred for the business of the Company;
 - ix) **Life Insurance:** Actual premium on the lives of the appointee, his wife and children to be paid by the Company.
 - x) **Contribution to Provident Fund, Superannuation fund or Annuity Fund :**
Company's contribution to Provident, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - xi) **Gratuity:** Not exceeding half month's salary for each completed year of service.
 - xii) Encashment of leave at the end of the tenure.
5. **Leave Travel Concession:**
For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.
6. **Minimum Remuneration:** If in any financial year during the tenure of the appointee, the Company has no profits or its profits are inadequate, the appointee shall be entitled to remuneration by way of salary, perquisites, allowances, specified above as minimum remuneration subject to the ceilings as prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration or such other limits as may be prescribed by the Government from time to time as minimum remuneration.
For the purpose of computation of minimum remuneration, the following shall not be included:-
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity at the rate not exceeding half a month's salary for each completed year of service, and
 - iii) Encashment of leave at the end of his tenure.
7. **Sitting Fees :**
The Managing Director shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof.

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

MAJESTIC AUTO LIMITED

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

The Board of Directors of your Company recommends passing of the Special Resolution as contained under Item No.8 above.

Memorandum of Interest:

None of the Directors except S/ Shri O.P.Munjhal, Vijay Munjal and Suman Kant Munjal the Directors of the Company being the relatives of the appointee and the appointee himself are concerned or interested in passing of this resolution.

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

I. General Information :

- | | | | | | | | | | | | | | | |
|--|------------------|--|--|------------------|------------------|-----------|-----------------|-----------------|------------------|------------|-----------|------------|----------|----------|
| 1) Nature of Industry | : | The Company is engaged in the manufacturing of Mufflers, Fine Blanking Components, Electricals, Spokes, and Two Wheelers Spare Parts. | | | | | | | | | | | | |
| 2) Date of commencement of commercial production | : | 21.05.1973 | | | | | | | | | | | | |
| 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : | N.A. | | | | | | | | | | | | |
| 4) Financial performance based on given indicators | | <table border="0"> <tr> <td></td> <td><u>2008-2009</u></td> <td><u>2007-2008</u></td> </tr> <tr> <td></td> <td>(Rs. In Crores)</td> <td>(Rs. In Crores)</td> </tr> <tr> <td>Sales(Net)</td> <td>Rs. 114.87</td> <td>Rs.110.33</td> </tr> <tr> <td>Net Profit</td> <td>Rs. 4.57</td> <td>Rs. 1.71</td> </tr> </table> | | <u>2008-2009</u> | <u>2007-2008</u> | | (Rs. In Crores) | (Rs. In Crores) | Sales(Net) | Rs. 114.87 | Rs.110.33 | Net Profit | Rs. 4.57 | Rs. 1.71 |
| | <u>2008-2009</u> | <u>2007-2008</u> | | | | | | | | | | | | |
| | (Rs. In Crores) | (Rs. In Crores) | | | | | | | | | | | | |
| Sales(Net) | Rs. 114.87 | Rs.110.33 | | | | | | | | | | | | |
| Net Profit | Rs. 4.57 | Rs. 1.71 | | | | | | | | | | | | |
| 5) Export performance and net foreign exchange collaborations | : | <table border="0"> <tr> <td></td> <td><u>2008-2009</u></td> <td><u>2007-2008</u></td> </tr> <tr> <td>a) Export</td> <td>Rs. 4.29 Lacs</td> <td>Rs. 536.32 Lacs</td> </tr> <tr> <td>b) Collaboration</td> <td>None</td> <td>None</td> </tr> </table> | | <u>2008-2009</u> | <u>2007-2008</u> | a) Export | Rs. 4.29 Lacs | Rs. 536.32 Lacs | b) Collaboration | None | None | | | |
| | <u>2008-2009</u> | <u>2007-2008</u> | | | | | | | | | | | | |
| a) Export | Rs. 4.29 Lacs | Rs. 536.32 Lacs | | | | | | | | | | | | |
| b) Collaboration | None | None | | | | | | | | | | | | |

6) Foreign investments or collaborators, if any

: None

II. Information about the appointee :

- | | | |
|---|---|---|
| 1) Background details | : | Sh. Mahesh Chander Munjal was appointed as a Director of the Company w.e.f. 29.6.1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and re-designated as Managing Director of the Company w.e.f. 29.7.1999. Before joining as a Director of the Company, Sh. Mahesh Chander Munjal was Executive Director of Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited. He is a Graduate Engineer and M.B.A. He is a member of various trade and management bodies. |
| 2) Past remuneration | : | Rs.38,49,840/- (Accounting Year 2008-2009) |
| 3) Recognition or awards | : | None |
| 4) Job profile and his suitability | : | <p>Job Profile :
Sh. Mahesh Chander Munjal is having rich experience of 30 years of running Auto Parts Industries as below and shall be responsible for the overall affairs of the Company:</p> <p>a) He has worked as Assistant Works Director, Chief Executive (Works) during the period from 1979 to 1986 in Hero Cycles Limited, Ludhiana.</p> <p>b) He has worked as Executive Director in Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited during the period from 1986 to 1993.</p> <p>c) He is working as Executive Director/ Managing Director of the Company since 1993.</p> <p>Suitability :
Your Board considers that the re-appointment of Sh. Mahesh Chander Munjal having such wide experience will be in the best interests of the Company and therefore, recommends passing of the Special Resolution as stated above.</p> |
| 5) Remuneration proposed | : | As per Resolution. |
| 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | : | Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Sh. Mahesh Chander Munjal the proposed remuneration is competitive with remuneration paid by other Companies to such similar positions. |
| 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | : | Except remuneration as mentioned above, he has no other pecuniary relationship directly or indirectly with the Company.
He is son of, elder brother of Sh. O.P. Munjal, the Chairman of the Company and cousin brother of Sh. Vijay Munjal and Sh. Suman Kant Munjal, the Directors of the Company. |

MAJESTIC AUTO LIMITED

III. Other Information :

- | | | |
|---|---|--|
| 1) Reasons of loss or inadequate profits | : | Not Applicable |
| 2) Steps taken or proposed to be taken for improvement. | : | The Company is actively exploring new business opportunities in terms of product diversification. |
| 3) Expected increase in productivity and profits in measurable terms. | : | It is expected that the productivity and profitability will improve in the year 2009-2010 in comparison to the year 2008-2009. |

By Order of the Board of Directors
For Majestic Auto Limited

Place : Ludhiana
Date : 25.07.2009

(Rajesh Kumar Dang)
Company Secretary

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

Mr. O. P. Munjal

Sh. O.P. Munjal son of Late Sh. Bahadur Chand Munjal is the founder Director of the Company. He was born on 5.08.1928. He is the Chairman and Managing Director of Hero Cycles Limited, the largest producer of the bicycles in the world. He carries with him enriched experience and due to his rare administrative and entrepreneurial skills, Hero Cycles Limited has found its position in the Guinness Book of Records. In the year 1990, he was awarded the Indira Gandhi National Unity Award by the President of India. He has been regular in making valuable contributions in the Board Meetings.

Apart from Majestic Auto limited, he is also on the Board of following Companies:

Hero Cycles Limited
Chairman cum Managing Director
Roma Cycles Mfg. Co. Pvt. Ltd.
Director
Highway Industries Limited
Director
Easy Bills Limited
Director
Munjal Kiriu Industries Pvt. Ltd.
Chairman

Hero Honda Motors Ltd.
Director
Munjal Bros. (Pvt.) Ltd.
Director
Hero Financial Services Limited
Chairman
Shivam Autotech Ltd.
Director

HeroHonda Finlease Ltd.
Director
Hero Motors Limited
Chairman
Hero Global Design Ltd.
Director
Munjal Auto Industries Ltd.
Director

He is neither a member nor Chairman of any of the Committee (s). He is holding 1471 equity shares and his wife holds 29629 equity shares in the Company.

Sh. O.P. Munjal brother's sons are, Mr. M.C. Munjal, the Managing Director of the Company & Mr. Suman Kant Munjal and Mr. Vijay Munjal the Directors of the Company.

Dr. D.R. Singh

Dr. D. R. Singh joined the Company on 25.9.1986. He has been regularly making useful contribution in the meetings of the Board of Directors and Committee thereof. His qualification is M.Com, Ph.D., Ph.D. (U.S.A.). He possesses experience of more than 45 years in the field of Academic, Editing, Finance, Taxation and Accounts. He is former Dean of College of Basic Science and Humanities, Punjab Agricultural University, Ludhiana and former Director of Punjab Institute of Management and Technology, Mandi Gobindgarh and of J.D.Institute of Management and Technology, Mukatsar and of Lala Lajpat Rai Memorial Institute of Management and Technology, Dodeka (Moga). He is founder President of Ludhiana Management Association. Presently, he is Director General of GNA-Institute of Management Technology, Phagwara.

At present he is holding the membership of the Board/Committee(s) of the following Companies :

Majestic Auto Limited
Director
Chairman – Shareholders / Investors Grievance Committee
Member – Audit Committee
Member – Remuneration Committee

Jain Uday Industries Limited
Director
VMT Spinning Limited
Director

Hero Cycles Limited
Director
Chairman- Audit Committee
Highway Industries Limited
Director

Dr. D. R. Singh is holding 143 equity shares of the Company (in his own name or on behalf of other person on a beneficial basis).

Dr. D. R. Singh does not have any relationship with any Director of the Company.

Mr. Vijay Munjal

Mr. Vijay Munjal son of Late Sh. Daya Nand Munjal joined the Company on 15.11.1988 as a Director of the Company. He was born on 17.11.1944. He is graduate. He possesses experience in International Marketing. He is Managing Director (International Marketing) of Hero Cycles Limited. He has been regular in making valuable contributions in Board Meetings.

At present he is holding the membership of the Board/Committee(s) of the following Companies :

Highway Industries Limited
Chairman
Dayanand Munjal Investment Pvt. Ltd.
Director
Roma Cycle Mfg.Co. Pvt. Ltd.
Director
Bahadurchand Investments Pvt. Ltd.
Director
Satyam Auto Components Ltd.
Director
Rockman Industries Limited
Director

Munjal Brother Pvt. Ltd.
Director
Hero Exports (P) Ltd.
Director
Munjal Auto Industries Ltd.
Director
Member - Remuneration committee
Member – Share Transfer Committee
Shivam Autotech Ltd.
Director
Majestic Auto Limited
Director

Pragati Tyres Pvt. Ltd.
Director
Hero Cycles Ltd.
Managing Director
Member - Audit committee
Anadi Investments Pvt.Ltd.
Director
Providence Buildtech Pvt. Ltd.
Director

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

Mr. Vijay Munjal is the brother's son of Sh. O.P. Munjal, the Chairman of the Company and cousin brother of Mr. Mahesh Chander Munjal, the Managing Director of the Company & Mr. Suman Kant Munjal, the Director of the Company.

Dr. M. A. Zahir

Dr. Mohamad Abdul Zahir joined the Company on 27.01.2009. His qualification is M.Com, Ph.D.. He is Chairman of Syntec Business School, Ludhiana. He is having over forty years of experience in management education, is a well-known academician with practical wisdom and societal concerns. He was nominated by Government of India as Director, on the Board of Allahabad Bank after nationalization of major banks (1970-77). He was President, Ludhiana Management Association (LMA) - Affiliated to All India Management Association (1995-97).

At present he is holding the membership of the Board/Committee(s) of the following Companies :

IOL Chemicals & Pharmaceuticals Limited
Director
Chairman – Audit Committee
Chairman – Share Holder's Grievance Committee
Praneel Innovations Ltd.
Director
Member – Audit Committee
Member – Shareholder's Grievance Committee
Chairman – Remuneration Committee
Sohrab Spinning Limited
Director

Lotus Integrated Texpark Limited
Director
Member – Audit Committee
Member – Remuneration Committee
Majestic Auto Limited
Additional Director
Rockman Industries Limited
Director
Chairman – Audit Committee
Highway Industries Limited
Director

Hero Honda Finlease Limited
Director
Member – Remuneration Committee
Trident Cotton Limited
Director
Hero Cycles Limited
Director
Member- Audit Committee
Ralson (India) Limited
Director
Sunshine Corporation Ltd.
Director

Dr. M. A. Zahir does not hold any share of the Company (in his own name or on behalf of other person on a beneficial basis).

Dr. M. A. Zahir does not have any relationship with any Director of the Company.

Mr. Harjeet Singh Arora

Mr. Harjeet Singh Arora joined the Company on 27.01.2009. His qualification is FCA & FCS. He is having very rich experience in the field of corporate finance & financial services. After holding key positions in the corporate world, he ventured as freelance consultant for financial services in 1985.

At present he is holding the membership of the Board/Committee(s) of the following Companies :

Prime Industries Limited
Director
Member – Audit Committee
Master Insurance Brokers Limited
Director
Master Share & Stock Brokers Limited
Director
Master Infra. & Real Estate Developments Limited
Director

Master Commodity Services Limited
Director
MTL Share & Stock Brokers Limited
Director
Master Projects (Pvt.) Limited
Director
Eminent Buildwell (Pvt.) Limited
Director
Majestic Auto Limited
Additional Director

Master Portfolio Services Ltd.
Director
Arora Financial Services Limited
Director
Master Capital Services Limited
Managing Director
Master Trust Limited
Managing Director

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

Mr. Harjeet Singh Arora does not have any relationship with any Director of the Company.

Mr. Mahesh Chander Munjal

Mr. Mahesh Chander Munjal joined the Company on 29th June, 1993 and was appointed as an Executive Director of the Company w.e.f. 29.10.1993 and re-designated as Managing Director of the Company w.e.f. 29.07.1999. He carries with him enriched experience of 30 years of running Auto Parts Industries. He is a graduate Engineer and M.B.A. Before joining as a Director of the Company, Mr. Mahesh Chander Munjal was Executive Director of Munjal Auto Industries Limited formerly known as Gujarat Cycles Limited.

At present he is holding the membership of the Board/Committee(s) of the following Companies :

Majestic Auto Limited
Managing Director
Member- Shareholder / Investors' Grievance Committee
M & M Auto Industries Limited
Director

Aayush Finance & Investment Pvt. Ltd.
Director
De Core Science & Technologies Ltd.
Director

Amtier Infotech Limited
Director
Bahadurchand Investment Pvt. Ltd.
Director

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

Mr. Mahesh Chander Munjal is the brother's son of Sh. O.P. Munjal, the Chairman of the Company and cousin brother of Mr. Vijay Munjal and Mr. Suman Kant Munjal, the Directors of the Company.

MAJESTIC AUTO LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting to you the Thirty Sixth Annual Report and the Audited Accounts for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS :

	Year ended 31-03-2009	Year ended 31.03.2008
Operational Income (Gross)	13295	12905
Profit before Depreciation and Financial charges	1556	996
Less : Financial Charges	397	429
Depreciation	613	430
Net Profit Before Tax	546	137
Less : Provision for Taxation		
- Deferred Tax	72	-52
: Provision for Wealth Tax	7	7
: Provision for Fringe Benefit Tax	10	11
Profit After Tax	457	171
Add / (Less) : Prior Period Adjustments	(3)	(5)
Add : Balance Brought Forward	1122	956
Profit Available for Appropriations	1576	1122
APPROPRIATIONS		
Balance carried to Balance Sheet	1576	1122
Basic and Diluted Earnings Per Share (EPS) Rs.	4.36	1.60

OPERATIONS

During the year under report, your Company has registered turnover of Rs. 13295 lacs as compared to Rs. 12905 lacs in the previous financial year. The Company earned a net profit before tax of Rs. 546 lacs as compared to a net profit before tax of Rs. 137 lacs in the previous financial year. The Company has also made provision for Bad Debts of Rs. 175.07 lacs (previous financial year Rs. 57.14 lacs). During the year the Company has received capital subsidy of Rs. 30 lacs (previous financial year Rs. Nil) which is in the nature of promoters' contribution and same has been credited to capital reserve.

Keeping in view the negative margin and low sales volume of mopeds and health equipment activities of the company, the Board of Directors in its meeting held on 27th January 2009 has taken the decision to discontinue the manufacturing of Mopeds and Health Equipments. However, by strengthening its operations in the other segments, the company has been able to achieve increased profit margin and increased turnover as compared to last year.

The management is confident that with its visionary approach and meticulous planning, the company will be moving the way ahead in this competitive market.

DIVIDEND

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

MATERIAL CHANGES AND COMMITMENTS

To reap the benefits of Telecom Sector, the company has entered in to a Joint Venture Agreement on 26.06.2009 with KGB Global for setting up business of providing a broad range information services. The new business will be set up by incorporating a new Joint Venture Company with 50:50 investments. The total investments required from time to time will be approximately Rs. 10 Crores and funds for which will be arranged from internal accruals & Term Loans. There were no other material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year of the Company and the date of signing of this report.

DIRECTORS

Sh. O. P. Munjal, Dr. D. R. Singh and Mr. Vijay Munjal, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. During the year the Company has appointed Mr. Harjeet Singh Arora and Dr. M.A. Zahir as an Additional Directors of the Company, who will hold office upto the date of this Annual General Meeting. The Company has received notices from the Members under Section 257 of the Companies Act, 1956, for their appointment as Directors of the Company. The Board recommends for their re-appointment.

MAJESTIC AUTO LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts for the period ended March 31, 2009, the applicable accounting standards have been followed;
- ii) That appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2009 and of the net profit earned by the Company for financial period ended March 31, 2009 ;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the annual accounts for the period ended March 31, 2009 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

LISTING

The shares of your Company are presently listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing fees for the year 2009-2010 has been paid to it.

FIXED DEPOSITS

During the year under review, the Company has not accepted or invited any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

INSURANCE

All properties and insurable assets of the Company including Building, Plant & Machinery and Stocks, have been adequately insured, wherever necessary and to the extent required.

PARTICULARS OF EMPLOYEES

A statement showing particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto as Annexure III and forms an integral part of this report.

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

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

ENVIRONMENTAL MANAGEMENT

With implementation of the Environment Management System (EMS) ISO-14001:2004, the Company continues to pursue its endeavor to operate in harmony with the nature, conservation of natural resources and reduction in Global warming.

QUALITY MANAGEMENT

The Company continues to maintain the ISO/TS:16949 (2002) Quality Management Systems to ensure effectiveness of all functions.

AUDITORS

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

AUDITORS' REPORT

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

COST AUDITORS

Due to non manufacturing of Mopeds the Company had filed an application with the Central Government for withdrawal and exemption of Cost Audit for the year ending March 31, 2009 and onwards.

PERSONNEL

As on March 31, 2009, the total number of employees on the records of the Company was 684. The Company conducts several training programmes to upgrade the skills of its workforce. These programmes have a strong practical approach, and the objective is to derive tangible improvements. Industrial relations were cordial throughout the year. Your Directors place on record their appreciation for the dedicated and sincere efforts put in by all employees in the performance of the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

PLACE : Ludhiana
DATE : 25.07.2009

(O. P. MUNJAL)
Chairman