



**MAJESTIC**  
**AUTO LIMITED**

**39<sup>th</sup>**

**Annual Report**

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## BOARD OF DIRECTORS

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

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

## GM (FINANCE)

## CUM - COMPANY SECRETARY

Ajay Garg

## STATUTORY AUDITORS

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

## BANKERS

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

## REGISTERED OFFICE

C-48, Focal Point,  
Ludhiana - 141 010

## WORKS

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

## REGISTRAR & TRANSFER AGENT

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

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## 39<sup>th</sup> ANNUAL GENERAL MEETING

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

## **MAJESTIC AUTO LIMITED**

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### **NOTICE**

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

#### **ORDINARY BUSINESS :**

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

#### **SPECIAL BUSINESS :**

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

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

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

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

By Order of the Board of Directors  
For Majestic Auto Limited

Place : Ludhiana

Date : 13.08.2012

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

(Ajay Garg)  
Company Secretary

## **MAJESTIC AUTO LIMITED**

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### **NOTES**

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

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

M/s Alankit Assignment Limited

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

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

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

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

## **MAJESTIC AUTO LIMITED**

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

**1. Basic Salary :**

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

**2. Bonus :**

As per Company Rules.

**3. Commission :**

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

**4. Perquisites and allowances :**

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

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

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

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

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

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

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

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

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

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

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

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

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

**5. Leave Travel Concession:**

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

**6. Minimum Remuneration:**

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

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

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

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

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

## **MAJESTIC AUTO LIMITED**

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### **7. Sitting Fees :**

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

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

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

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

### **Memorandum of Interest:**

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

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

#### **I. General Information :**

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

#### **II. Information about the appointee :**

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

## MAJESTIC AUTO LIMITED

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### 4) Job profile and his suitability

#### Job Profile :

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

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

#### Suitability :

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

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

### III. Other Information :

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

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

#### Ms. Ashima Munjal

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

## ***MAJESTIC AUTO LIMITED***

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Committees there of:

Majestic Auto Limited

Director

Member - Share Holder/Investors' Grievance Committee

Member - Audit Committee

Majestic IT Services Limited

Managing Director

Amtier Infotech Limited

Director

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

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

### **Mr. G. P. Sood**

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

Hero Motors Limited

Director

Chairman - Remuneration and Compensation Committee

Member - Audit Committee

Chairman - Shareholders Grievance Committee

Member - Investment Committee

Majestic Auto Limited

Director

Chairman - Audit Committee

Chairman - Remuneration Committee

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

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

### **Mr. Mahesh Munjal**

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

Majestic Auto Limited

Managing Director

Member- Shareholder /

Investors' Grievance Committee

M & M Auto Industries Limited

Director

Aayush Finance & Investment Pvt. Ltd.

Director

De Core Science & Technologies Ltd.

Director

Majestic IT Services Limited

Director

Member - Remuneration Committee

Amtier Infotech Limited

Director

Anadi Investments Pvt. Ltd.

Director

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

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



# MAJESTIC AUTO LIMITED

## DIRECTORS' REPORT

Dear Members,

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

### FINANCIAL RESULTS:

(Rs. in Lacs)

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

### OPERATIONS

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

### DIVIDEND

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

### MATERIAL CHANGES AND COMMITMENTS

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

### DIRECTORS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

# **MAJESTIC AUTO LIMITED**

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## **CORPORATE GOVERNANCE**

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

## **HOLDING COMPANY**

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

## **SUBSIDIARY COMPANY**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **LISTING**

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

## **FIXED DEPOSITS**

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

## **PARTICULARS OF EMPLOYEES**

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

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

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

## **ENVIRONMENTAL & QUALITY MANAGEMENT**

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

## **AUDITORS**

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

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

## **AUDITORS' REPORT**

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

## **PERSONNEL**

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

## **ACKNOWLEDGEMENT**

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

**For and on Behalf of the Board of Directors**

**Place : Ludhiana**

**(Mahesh Munjal)**

**Date : 13.08.2012**

**Chairman & Managing Director**