



MAJESTIC AUTO LIMITED



48th

**ANNUAL
REPORT 2021**

MAJESTIC AUTO LIMITED

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INVESTOR INFORMATION

Market Capitalisation

INR 111.77 CR. (As on March 31, 2021)

BSE Code

500267

BSE Symbol

MAJESAUT

AGM DATE: NOVEMBER 29, 2021
(AGM TO BE HELD VIA VIDEO CONFERENCING)



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I hope that you, your families, and friends are safe and doing well. It has been an unpredictable year with the Pandemic going through many phases. The global spread of COVID-19 and India's lockdown has created an economic environment filled with uncertainty and risk. While it has been tough, it is time to carefully reclaim normalcy with over 1 billion vaccinations already done and the goal of vaccinating the entire nation's adult population by year end.

In these challenging times, our priority has been to ensure that our workforce is safe. For our employees, we have maintained salary levels and avoided any layoffs. When India underwent another wave of the pandemic, safety and well-being of our associates and our business partners has been our foremost priority. This was followed by ensuring continuity of business and serving our customers. Thank you for standing by us during these tough times.

Our customers have stood by their contracts and the rental business has been quite stable. Although in the last year as footfall in the offices have been lower, we have faced challenges in profitability in the facility management business. Due to substantially lower interest rates, we have benefited from lower finance costs. Another major factor has been substantial reduction in our debt over the last three years. This healthy balance sheet has enabled us to get through these tough times.

While we emerge out of this crisis, the world is starting to show signs of recovery too. Employees are beginning to return to offices as companies are ending work from home.

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.

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

BOARD OF DIRECTORS



Mr. Mahesh Munjal,
Chairman & Managing Director



AASHIMA MUNJAL
(Joint Managing Director)



AAYUSH MUNJAL
(Joint Managing Director)



ANIL KUMAR SHARMA
(Independent Director)



PRADIP KUMAR MITTAL
(Independent Director)



RAJESH KUMAR YADUVANSHI
(Independent Director)

EXECUTIVE DIRECTORS

MAHESH MUNJAL (CMD)

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

AASHIMA MUNJAL (Whole Time Director and Joint Managing Director)

Ms. Aashima Munjal joined the Company on August 14, 2010 as Director of the Company. She is also Managing Director of Majestic IT Services Limited, a wholly owned subsidiary of the Company. Ms. Aashima Munjal has a Master of Science in Engineering Degree and Bachelors in Computer Science from John Hopkins University, USA. Previously she has worked with the centre for networking and Distributed Systems at John Hopkins University, Unisys Corporation and the Veteran Health Administration in the United States of America. She is also on the board of John Hopkins India Foundation since 2019.

AAYUSH MUNJAL (Whole Time Director and Joint Managing Director)

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

NON EXECUTIVE DIRECTORS

ANIL KUMAR SHARMA*1 (Independent)

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

PRADIP KUMAR MITTAL*2 (Independent)

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

RAJESH KUMAR YADUVANSHI*3 (Independent)

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

Note: *1 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 28.09.2019. *2. Mr. Pradip Kumar Mittal was appointed as Additional Independent Director of the Company w.e.f. October 12, 2021 till the conclusion of the ensuing Annual General Meeting. *3. Dr. Rajesh Kumar Yaduvanshi was appointed as Additional Independent Director of the Company w.e.f. October 12, 2021 till the conclusion of the ensuing Annual General Meeting.

CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Rajpal Singh Negi

Statutory Auditors

M/s SAR & Associates
Chartered Accountants

Internal Auditors

M/s S.Tandon & Associates
Chartered Accountants

Secretarial Auditors

M/s PKB & Associates
Company Secretaries

Registered Office

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

Audit Committee

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

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

Vigil Mechanism Committee

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

Registrar & Transfer Agent

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

NOTICE OF 48th ANNUAL GENERAL MEETING

Notice is hereby given that the **48th Annual General Meeting (AGM)** of the members of **MAJESTIC AUTO LIMITED** will be held on **Monday, the 29th day of November, 2021 at 11:00 a.m. (IST)**, through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the financial year ended 31st March, 2021, together with the Report of Board of Directors and the Auditors thereon.
2. To re-appoint Mr. Mahesh Munjal (DIN - 00002990), who retires by rotation as a Director in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To declare a Final Dividend of Rs. 7.50/- per equity share for the Financial Year ended March 31, 2021.

SPECIAL BUSINESSES:

4. **To approve the appointment of Mr. Pradip Kumar Mittal (DIN: 00061171) as a Non-Executive Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Pradip Kumar Mittal (DIN: 00061171) who was appointed as an Additional Independent Director of the Company with effect from October 12, 2021 in the casual vacancy caused by the resignation of Mr. Sham Lal Mohan, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and who, in terms of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Pradip Kumar Mittal as a candidate for the office of Independent Director, be and is hereby appointed as Non-Executive, Independent Director of the Company for a tenure till April 17, 2024 i.e. for the period of the casual vacancy caused by the resignation of Mr. Sham Lal Mohan and whose period of office will not be liable to determine by retirement by rotation.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorized to sign the requisite forms/ documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

5. **To approve the appointment of Dr. Rajesh Kumar Yaduvanshi (DIN: 07206654) as a Non-Executive Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Dr. Rajesh Kumar Yaduvanshi (DIN: 07206654) who was appointed as an Additional Independent Director of the Company with effect from October 12, 2021 in the casual vacancy caused by the resignation of Mr. Naveen Jain and who, meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and who, in terms of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Rajesh Kumar Yaduvanshi as a candidate for the office of Independent Director, be and is hereby appointed as Non-Executive, Independent Director of the Company for a period till August 09, 2023 i.e. for the period of the casual vacancy caused by the resignation of Mr. Naveen Jain and whose period of office will not be liable to determine by retirement by rotation.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **To approve the re-appointment & remuneration of Mr. Mahesh Munjal (DIN: 00002990), Chairman & Managing Director of the Company for a period of 3 years w.e.f October 29, 2021**

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 196, 197 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to approve the terms of re-appointment and remuneration of Mr. Mahesh Munjal (DIN: 00002990) as the Chairman and Managing Director (Key Managerial Personnel) of the Company, for a period of three years commencing from October 29, 2021 to October 28, 2024 as recommended and approved by the Nomination & Remuneration Committee and Board of Directors on the following terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, with liberty to the Board of Directors to alter and vary the terms and

conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr. Mahesh Munjal.

The information in respect of terms of remuneration & perquisites is given below:

1. **Basic Salary:** Basic Salary in the scale of Rs. 9,00,000-65,000-10,30,000 per month (FYI: previous remuneration Rs. 7,00,000-50,000-8,00,000 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 196, 197, 203 and Schedule V of the Companies Act, 2013.
4. **Perquisites and allowances:** In addition to the above Basic Salary, Bonus and Commission, he shall be entitled to the following perquisites and allowances:-
 - a) **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.
 - b) **Medical Reimbursement:** Medical Allowance equal to 8% of basic salary or Reimbursement of actual Medical Expenses incurred by the appointee and his family whichever is higher;
 - c) **Club Fees:** Actual fees of clubs subject to maximum of two clubs will be reimbursed;
 - d) **Personal Accident Insurance:** Actual premium to be paid by the Company;
 - e) **Insurance of House-hold goods:** Actual premium to be paid by the Company;
 - f) **Car:** Facility of Car with driver to be used for the business of the Company;
 - g) **Telephone :** Free telephone facility including Mobile Phone and Landline 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;
 - h) **Life Insurance:** Actual premium on the lives of the appointee, his wife and children to be paid by the Company;
 - i) **Contribution to Provident Fund, Superannuation fund or Annuity Fund:** Company's contribution to Provident, Superannuation Fund or Annuity Fund.
 - j) Encashment of leave at the end of the financial year.
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 as prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 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 the financial year.

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

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **To approve the re-appointment of Mr. Aayush Munjal (DIN: 07276802), Whole-Time & designate him as Joint Managing Director of the Company for a period of 5 years w.e.f August 14, 2021**

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

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections , 196, 197 and 203 and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. Aayush Munjal (DIN: 07276802) as a Whole-Time Director and designate him as Joint Managing Director of the Company, for a period of five years with retrospective effect from August 14, 2021 to August 13, 2026 as recommended and approved by the Nomination & Remuneration Committee and Board of Directors without remuneration and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **To approve the re-appointment of Ms. Aashima Munjal (DIN: 00050716), Whole Time Director & Joint Managing Director of the Company for a period of 5 years w.e.f October 1, 2021**

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

“RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 196, 197 and 203 and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or reenactment(s) thereof for the time being in force), the approval of the members of the Company be and are hereby accorded to approve the re-appointment of Ms. Aashima Munjal (DIN: 00050716) as a Whole Time & Joint Managing Director of the Company for a period of 5 years with effect from October 1, 2021 to September 30, 2026 as recommended and approved by the Nomination & Remuneration Committee and Board of Directors without remuneration and from whom the Company has received a notice in writing under Section 160(1) of the Act proposing her candidature for the office of Director.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. **To approve the continuation of Mr. Mahesh Munjal (DIN: 00002990), as Chairman & Managing Director of the Company after attaining the age of 70 years**

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 Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), as recommended by the Nomination & Remuneration Committee and the Board, consent of the Company be and is hereby accorded for the continuation of the appointment of Mr. Mahesh Munjal (DIN: 00002990) as Chairman and Managing Director of the Company on attaining the age of 70 years on February 28, 2024 for the remaining period of his term of 3 years i.e. until October 28, 2024 on the same terms of appointment and remuneration as approved by the shareholders at this 48th Annual General Meeting of the Company held on November 29, 2021”

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

Mahesh Munjal
Chairman & Managing Director
DIN: 00002990

Date: November 2, 2021
Place: Noida