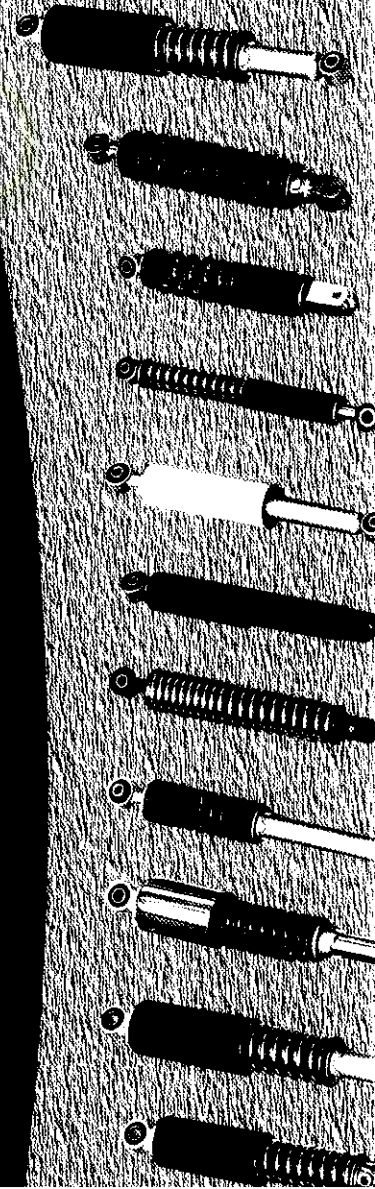
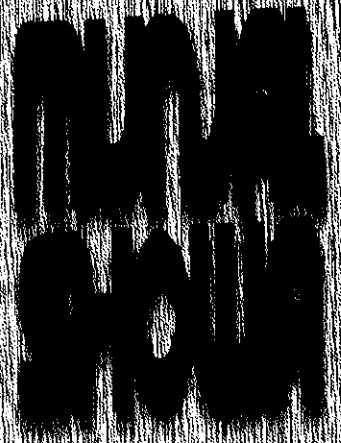


15th

Annual Report 1999-2000

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CONTENTS

	Page Nos.
Board of Directors & other Information	3
Financial Highlights - Data	4
Graphs	5-6
Notice	7-9
Explanatory Statement	10-11
Directors' Report	12-16
Auditors' Report	17-19
Balance Sheet	20
Profit and Loss Account.....	21
Schedules	22-27
Notes to the Accounts	28-31
Additional Information	32-33
Balance Sheet Abstract	34-35
Cash Flow Statement & Auditors Certificate.....	36-38
Corporate Governance.....	39
Information to the Members	40-42
Attendance Slip	43

BOARD OF DIRECTORS	Brijmohan Lall (Chairman) Yogesh Munjal (Managing Director) Takeshi Fukui (Joint Managing Director) Yoshitaka Terazawa O.P. Vaish S. D. Khosla K. N. Malhotra Ashok Munjal Pankaj Munjal
COMPANY SECRETARY	Mohit Datta
AUDITORS	M/s S. R. Batliboi & Company Chartered Accountants New Delhi
BANKERS	The Bank of Tokyo-Mitsubishi Ltd. Canara Bank Standard Chartered Bank
TECHNICAL & FINANCIAL COLLABORATORS	Showa Corporation 1-14-1, Fujiwara - Cho Gyoda - Shi, Saitama Ken, Japan
REGISTERED OFFICE & WORKS	9 to 11, Maruti Industrial Area, Gurgaon - 122 015 (Haryana)
SHARE TRANSFER AGENTS	MCS Limited Shri Venkatesh Bhavan 212 - A, Shahpurjat New Delhi - 110 049 Tel : 6495701 - 04 & 6494830 - 32 Fax:011-6494152

YEARLY FINANCIAL RESULTS AT A GLANCE

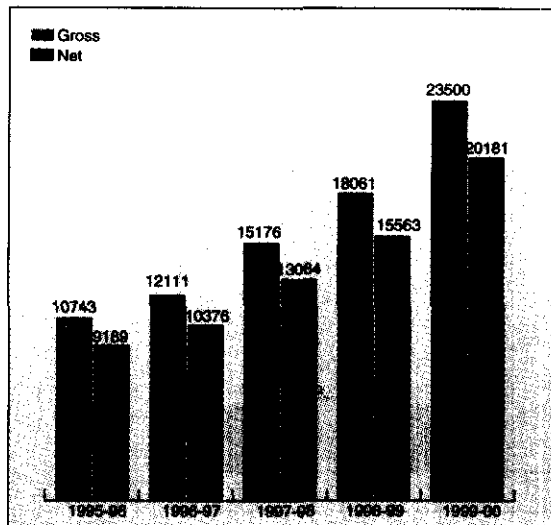
(Rs. in lacs)

	March'2000	March'99	March'98	March'97	March'96	March'95
Share Capital	799.92	799.92	399.97	399.97	399.97	399.87
Reserve & Surplus	5689.31	4693.41	4095.96	2885.39	2099.49	1524.12
Total Shareholder's Funds	6489.23	5493.33	4495.94	3283.37	2499.46	1924.09
Total Term Liability	976.32	837.16	511.09	911.82	331.29	179.99
Total Assets	7505.50	6538.29	5236.50	4282.73	3482.13	2393.16
Net Sales	20180.72	15562.67	13063.80	10376.17	9188.77	6754.48
(% Increase over Previous year)	29.67%	19.13%	25.90%	12.92%	36.04%	43.09%
Profit Before Interest						
Depn. & Tax (PBDIT)	2246.81	2080.76	2361.97	1783.61	1633.75	1144.01
Interest	72.08	57.50	66.40	107.11	102.36	162.56
Depreciation	375.14	299.79	287.93	271.08	332.27	181.25
Profit Before Tax (PBT)	1799.59	1723.47	2007.64	1405.42	1199.12	808.20
Profit After Tax (PAT)	1306.65	1210.25	1366.55	915.89	687.35	508.10
Earnings per Share (EPS)	16.33	15.13	34.17	22.90	17.18	12.70
Book Value per Share	81.12	68.68	112.41	82.10	62.49	48.10
Dividend %	#35.00%	35.00%	35.00%	30.00%	28.00%	25.00%

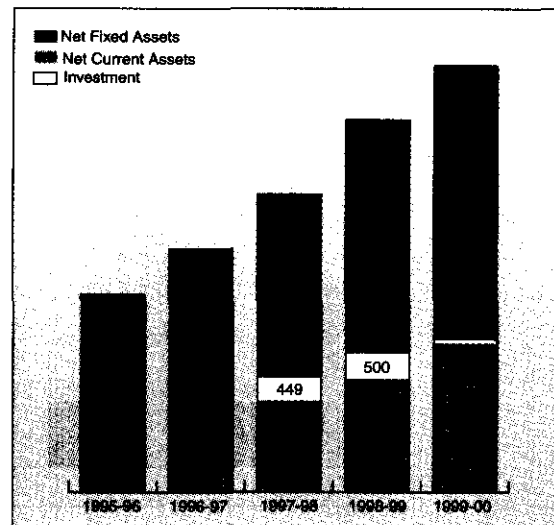
Paid as interim dividend

MUNJAL SHOWA LIMITED

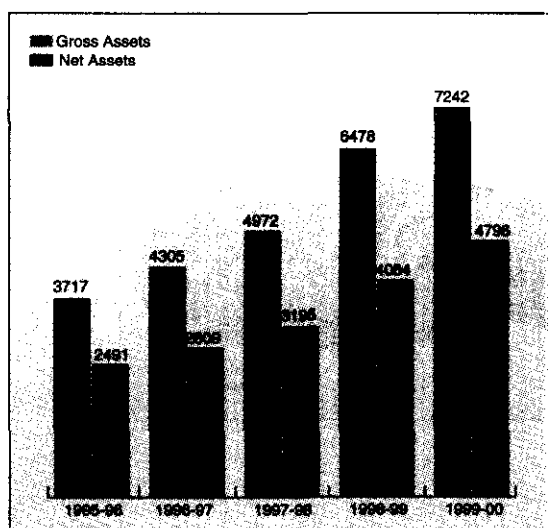
Sales (Rs. in Lacs)

**MUNJAL SHOWA LIMITED**

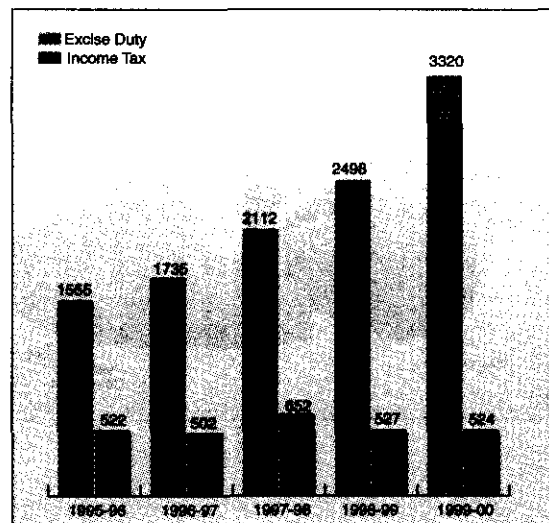
Application of Funds (Rs. in Lacs)

Report  junction.com**MUNJAL SHOWA LIMITED**

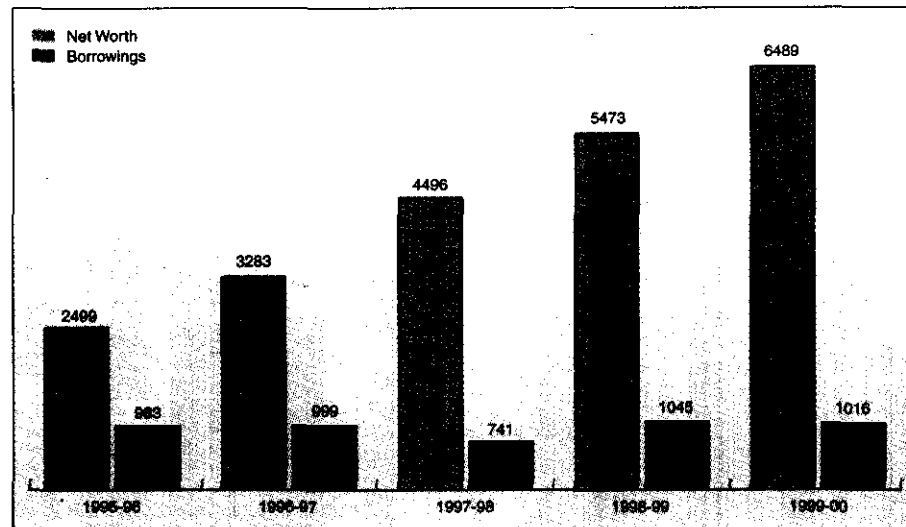
Fixed Assets (Rs. in Lacs)

**MUNJAL SHOWA LIMITED**

Contribution to Exchequer (Rs. in Lacs)

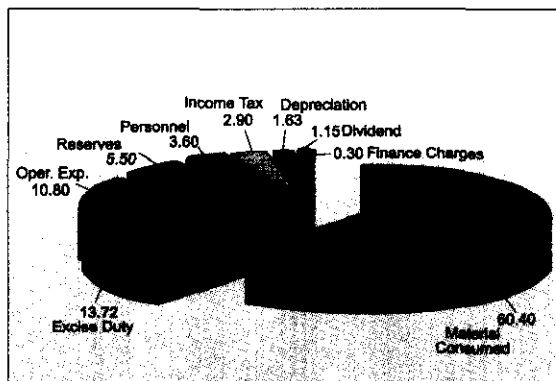


MUNJAL SHOWA LIMITED
Borrowings & Net Worth (Rs. in Lacs)

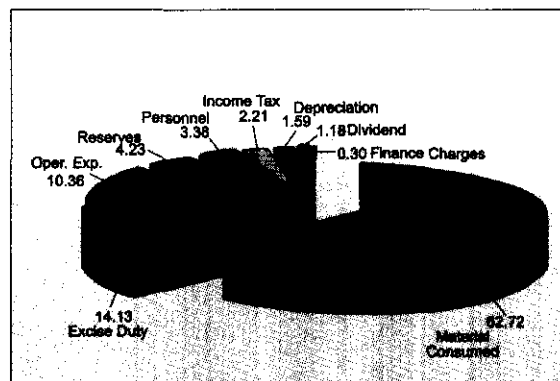


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MUNJAL SHOWA LIMITED
Distribution of Revenue (1998-99)



MUNJAL SHOWA LIMITED
Distribution of Revenue (1999-2000)



NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON TUESDAY THE 29TH DAY OF AUGUST, 2000 AT 3.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 9 TO 11, MARUTI INDUSTRIAL AREA, GURGAON-122 015 (HARYANA) TO TRANSACT THE FOLLOWING BUSINESS :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date together with the Directors' and the Auditors' Reports thereon.
2. To confirm the payment of interim dividend of Rs. 3.50 per Equity Share as the final dividend for the financial year 1999-2000.
3. To appoint a Director in place of Mr. Brij Mohan Lall, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. D. Khosla, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until 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**:

VARIATION IN TERMS OF APPOINTMENT OF MR. YOGESH MUNJAL, MANAGING DIRECTOR

"RESOLVED THAT in partial modification of the earlier resolution passed in the Eleventh Annual General Meeting held on 26th September, 1996 the consent of the Company be and is hereby accorded under Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 to the variations in the terms of appointment of Mr. Yogesh Munjal, Managing Director in respect of his remuneration with effect from 1st April, 2000 for the remaining period of his tenure as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to him in a particular financial year will be subject to the overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

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

VARIATION IN TERMS OF APPOINTMENT OF MR. TAKESHI FUKUI, JOINT MANAGING DIRECTOR

"RESOLVED THAT in partial modification of the earlier resolution passed in the Twelfth Annual General Meeting held on 25th September, 1997 the consent of the Company be and is hereby accorded under Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 to the variations in the terms of appointment of Mr. Takeshi Fukui, Joint Managing Director in respect of his remuneration with effect from 1st April, 2000 for the remaining period of his tenure as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to him in a particular financial year will be subject to the overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

AMENDMENT IN ARTICLES OF ASSOCIATION

"RESOLVED THAT the Articles of Association of the Company be altered in the following manner:

After Article 58, insert the following Article as Article 58A.

Dematerialisation of Securities

58A (1) For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such securities as may be specified by SEBI from time to time.

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (4) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (5)
 - a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners
 - b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

-
- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owner in the record of a depository.
 - (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
 - (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
 - (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Securities holders for the purpose of these Articles."

By order of the Board
For **MUNJAL SHOWA LTD.**

Place: New Delhi
Dated: 16th June ,2000

MOHIT DATTA
Company Secretary



NOTES

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/herself. The proxy need not be a member. Proxies in order to be valid must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
- 2 The Register of Members and Share Transfer Books will remain closed from 18th August, 2000 to 26th August, 2000 (both days inclusive).
- 3 The interim dividend as recommended by the Board of Directors was paid to those members whose names appeared in the Register of Members of the Company as on Monday, the 15th day of May, 2000.
- 4 Pursuant to the provisions of Section 205A of the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the Investor Education and Protection Fund, to be 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 encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company during the years 1995 onwards. In respect of the unclaimed dividends for periods prior to 1995, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by writing to the Registrar of Companies, Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi 110 003 by quoting the **Company's Registration No. 55-20934**.
- 5 Members are requested to bring their copy of the Annual Report and Attendance Slip to the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 6**

The members in the Eleventh Annual General meeting held on 26th September, 1996 fixed the remuneration of Mr. Yogesh Munjal, Managing Director of the Company. As you are aware that the annual turnover of the Company has crossed the level of Rs.230 crores and the job responsibilities has also considerably increased, keeping in view the above, the Board of Directors by passing a resolution in its meeting held on 16th June, 2000 revised the Basic Salary to Rs. 65000/- (Rupees Sixty Five Thousand Only) per month with effect from 1st April, 2000 for the remaining period of his tenure. All the other terms and conditions will remain the same.

Mr. Yogesh Munjal, Mr Brij Mohan Lall, Mr. Ashok Munjal, Mr. Pankaj Munjal being related to each other and therefore may be deemed to be interested in the resolution under item no. 6. The Board of Directors recommends the passing the aforesaid Ordinary Resolution.

Item No. 7

The members in the Twelfth Annual General meeting held on 25th September 1997 fixed the remuneration of Mr. Takeshi Fukui, Joint Managing Director of the Company. As you are aware that the annual turnover of the Company has crossed the level of Rs.230 crores and the job responsibilities has also considerably increased, keeping in view the above, the Board of Directors by passing a resolution in its meeting held on 16th June, 2000 revised the Basic Salary to Rs. 65000/- (Rupees Sixty Five Thousand only) per month with effect from 1st April, 2000 for the remaining period of his tenure. All the other terms and conditions will remain the same.

Mr. Takeshi Fukui may deemed to be interested/concerned in the resolution under item No. 7. The Board of Directors of your Company recommends passing of the aforesaid Ordinary Resolution.