

# MUNJAL SHOWA

30th Annual Report 2014-15



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**BOARD OF DIRECTORS**

Mr. Brijmohan Lall Munjal (Chairman)  
 Mr. Yogesh Chander Munjal (Managing Director)  
 Mr. Isao Ito (Joint Managing Director)  
 Mr. Katsuhiko Matsuura (upto May 22, 2015)  
 Mr. Matsui Masanao ( w.e.f. May 22, 2015)  
 Mr. Ashok Kumar Munjal  
 Mr. Pankaj Munjal  
 Mr. Krishan Chand Sethi  
 Mr. Vinod Kumar Agrawal  
 Mr. Surinder Kumar Mehta  
 Mr. Nand Dhameja  
 Mr. Devi Singh  
 Mrs. Charu Munjal

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Krishan Chand Sethi- Chairman  
 Mr. Vinod Kumar Agrawal-Member  
 Mr. Devi Singh-Member  
 Mr. Surinder Kumar Mehta-Member

**SHARE TRANSFER/ STAKEHOLDERS  
RELATIONSHIP COMMITTEE**

Mr. Nand Dhameja-Chairman  
 Mr. Yogesh Chander Munjal-Member  
 Mr. Isao Ito- Member  
 Mr. Ashok Kumar Munjal-Member

**AUDIT COMMITTEE**

Mr. Vinod Kumar Agrawal-Chairman  
 Mr. Krishan Chand Sethi- Member  
 Mr. Nand Dhameja- Member  
 Mr. Ashok Kumar Munjal- Member

**CSR COMMITTEE**

Mr. Krishan Chand Sethi-Chairman  
 Mr. Yogesh Chander Munjal- Member  
 Mr. Vinod Kumar Agrawal- Member

**RISK MANAGEMENT COMMITTEE  
(Non Mandatory)**

Mr. Yogesh Chander Munjal- Chairman  
 Mr. Pankaj Gupta-Member  
 Mr. K. Chakravorty-Member

**STATUTORY & TAX AUDITORS**

M/s S R Batliboi & Co. LLP, Chartered  
 Accountants, Gurgaon

**INTERNAL AUDITORS**

M/s Vaish & Associates, Chartered Accountants,  
 New Delhi

**SECRETARIAL AUDITORS**

Satyender Kumar & Associates, Gurgaon

**CHIEF FINANCIAL OFFICER**

Mr. Pankaj Gupta

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

Mr. Saurabh Agrawal

**BANKERS**

The Bank of Tokyo- Mitsubishi UFJ Limited  
 Standard Chartered Bank  
 State Bank of India  
 Citi Bank N.A.  
 Canara Bank  
 HDFC Bank Limited  
 Kotak Mahindra Bank Limited  
 The Bank of Nova Scotia

**SHARE TRANSFER AGENT**

MCS Share Transfer Agent Limited  
 F-65, Okhla Industrial Area, Phase I,  
 New Delhi- 110 020  
 Tel: 011-41406149-52; Fax: 41709881  
 Email: admin@mcsdel.com

**TECHNICAL & FINANCIAL  
COLLABORATOR**

Showa Corporation 1-14-1, Fujiwara -Cho Gyoda-  
 shi Saitama Ken, Japan

**REGISTERED OFFICE & WORKS**
**Gurgaon Plant & Registered Office**

9-11, Maruti Industrial Area, Sector-18 Gurgaon-  
 122015 Haryana

**Manesar Plant**

Plot No. 26 E & F, Sector 3, IMT Manesar,  
 Gurgaon- 122 050 Haryana

**Haridwar Plant**

Plot No. 1, Industrial Park-2, Phase-1,  
 Salempur Mehdood, Haridwar- 249403  
 Uttarakhand

## YEARLY FINANCIAL RESULTS AT A GLANCE

(Rs. in lacs)

	March'15	March'14	March'13	March'12	March'11
Share Capital	799.92	799.92	799.92	799.92	799.92
Reserve & Surplus	40,272.34	34,812.93	29,480.57	24,816.28	19,497.88
Total Shareholder's Funds	41,072.27	35,612.85	30,280.49	25,616.20	20,297.80
Unsecured Loans	0.00	0.00	0.00	1000.00	500.00
Secured Loan	0.00	0.00	2,110.87	6,315.65	8,069.95
Total Term Liability	0.00	0.00	2,110.87	7,315.65	8,569.95
Current Liabilities & Provisions	20,202.77	21,814.06	20,802.28	21,289.90	20,637.64
Total Assets / Liabilities	61,275.04	57,426.91	53,193.64	54,221.75	49,505.39
Net Sales	164,296.67	159,797.31	158,142.66	155,688.13	128,932.65
(% Growth year on year)	2.82%	1.05%	1.58%	20.75%	28.37%
Profit Before Interest Depn. & Tax (PBDIT)	13,542.34	11,129.86	10,272.47	12,414.66	8,334.05
Profit Before Interest Depn. & Tax (PBDIT)-%	8.24	6.97	6.50	7.97	6.46
Interest	44.54	270.32	716.57	1101.91	914.01
Depreciation	2,867.09	2,840.99	2,764.20	2,722.88	2,624.67
Profit Before Tax (PBT)	10,630.71	8,018.55	6,791.70	8,589.87	4,793.49
Profit After Tax (PAT)	7,562.89	6,970.09	6,068.06	6,712.90	3,401.91
Earnings per Share (EPS) (Rs.)	18.91	17.43	15.17	16.78	8.51
Book Value per Share (Rs.)	102.69	89.03	75.71	64.05	50.75
Dividend Payout %	# 200.00%	175.00%	150.00%	150.00%	125.00%
Dividend per share	# 4.00	3.50	3.00	3.00	2.50

# Recommended by Board of Directors



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF MUNJAL SHOWA LIMITED WILL BE HELD ON WEDNESDAY, THE 26<sup>TH</sup> DAY OF AUGUST, 2015 AT 11:00 AM AT THE COMPANY'S REGISTERED OFFICE SITUATED AT 9-11, MARUTI INDUSTRIAL AREA, SECTOR-18, GURGAON-122015 (HARYANA) TO TRANSACT THE FOLLOWING BUSINESS: -**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2015 including Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board and Auditors thereon.

**"RESOLVED THAT** the audited Financial Statements of the Company including Balance Sheet as at 31 March, 2015 and the Statement of Profit and Loss, the cash flow statement for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon be and are hereby received, considered and adopted."

2. To declare a dividend on equity shares for the financial year ending 2014-15.

**"RESOLVED THAT** a final dividend of Rs. 4.00/- per equity share on 39,995,000 equity shares of Rs. 2/- each fully paid up for the financial year 2014-15 be and is hereby approved and declared."

3. To appoint Mr. Ashok Kumar Munjal (DIN 00003843), as Director liable to retire by rotation.

**"RESOLVED THAT** Mr. Ashok Kumar Munjal (DIN 00003843), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. Ratification of Appointment of Statutory Auditors.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s S R Batliboi & Company LLP, Chartered Accountants, Gurgaon (ICAI Firm registration No. 301003E), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-first AGM of the Company to be held in the year 2016 be and is hereby ratified at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions:

#### As Ordinary Resolutions

5. **Appointment of Mr. Matsui Masanao (DIN 00340218) as Director of the Company**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Matsui Masanao (DIN 00340218), who was appointed as an additional Director of the Company by the Board of Directors w.e.f. May 22, 2015 in terms of Section 161 of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company and who holds office upto the date of forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

**6. Variation in the Terms of Appointment of Mr. Isao Ito-Joint Managing Director**

**“RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration Committee and in partial modification of the earlier Resolution passed by the shareholders in the Twenty Ninth Annual General Meeting held on August 28, 2014, the consent of the Company be and is hereby accorded under Sections 196, 197, 203 with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, and subject to the approval of the Central Government, if required the Basic Salary payable to Mr. Isao Ito- Joint Managing Director (DIN 05134031) be increased to Rs. 10,50,000/- per month from the existing Rs. 9,00,000/- per month and Special Pay of Rs. 1,00,000/- per month w.e.f. September 01, 2015 for the remaining period of his tenure.

**RESOLVED FURTHER THAT** all other terms and conditions of his appointment including remuneration (Including allowances, perquisites and benefits) shall remain unchanged.

**RESOLVED FURTHER THAT** the aggregate of the remuneration payable to him in any particular Financial Year will be subject to the overall ceiling limit laid down in Section 197 read with Schedule V of the Companies Act, 2013.”

To consider and, if thought fit, to pass the following Resolution as Special Resolution:

**As Special Resolution****7. Variation in the Terms of Appointment of Mr. Yogesh Chander Munjal- Managing Director**

**“RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration Committee and in partial modification of the earlier Resolution passed by the shareholders in the Twenty Ninth Annual General Meeting held on August 28, 2014, the consent of the Company be and is hereby accorded under Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, and subject to the approval of the Central Government, if required the Basic Salary payable to Mr. Yogesh Chander Munjal- Managing Director (DIN 00003491) be increased to Rs. 14,50,000/- per month from Rs. 13,00,000/- per month w.e.f. September 01, 2015 for the remaining period of his tenure.

**RESOLVED FURTHER THAT** all other terms and conditions of his appointment including remuneration (Including allowances, perquisites and benefits) shall remain unchanged.

**RESOLVED FURTHER THAT** the aggregate of the remuneration payable to him in any particular Financial Year will be subject to the overall ceiling limit laid down in Section 197 read with Schedule V of the Companies Act, 2013.”

Place: New Delhi  
Dated: May 22, 2015

By Order of the Board of Directors  
For **MUNJAL SHOWA LIMITED**

**Registered Office:**  
9-11, Maruti Industrial Area  
Sector-18, Gurgaon, Haryana - 122 015  
**Email:** msladmin@munjalshowa.net  
**Website:** www.munjalshowa.net  
**CIN:** L34101HR1985PLC020934  
**Phone No.:** 0124-4783000, Fax: 0124-2341359

**SAURABH AGRAWAL**  
**COMPANY SECRETARY**  
Membership No. A36163

**NOTES:-**

- 01) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE VALID MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ATTACHED.**

**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.**

- 02) Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
- 03) In terms of Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Munjal (DIN 00003843), Director, retire by rotation at the Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Brief resume of Mr. Ashok Kumar Munjal is given in Board's Report.
- 04) The Explanatory Statement setting out the material facts concerning Special Business at Item Nos. 5 to 7 of the accompanying notice as required by Section 102 of the Companies Act, 2013, is annexed hereto.
- 05) Pursuant to Section 91 of the Companies Act, 2013 and listing agreement, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 08, 2015 to August 26, 2015 (both days inclusive).
- 06) The dividend as recommended by the Board of Directors, if approved at the thirtieth Annual General Meeting, shall be paid to those members, who hold the shares in physical format, whose names appear on the Company's Register of Members of the Company on Wednesday, August 26, 2015. In respect of the shares held in electronic form, the dividend shall be paid on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), depositories for this purpose as on close of working hours of Friday, August 07, 2015.
- 07) Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year 2008-09 and thereafter, which remains unclaimed for a period of 7 years would be transferred by the Company to the "Investor Education and Protection Fund (IEPF)" established by the Central Government. Dividends declared upto 1994-95 to 2006-07 remaining unpaid/ unclaimed have already been transferred to the Investor Education and Protection Fund. Dividend declared for the financial year 2007-08 is in the process of transfer to IEPF and the last date of claim is August 13, 2015.
- 08) Information in respect of unclaimed dividend pertaining to subsequent financial years when due for transfer to the said Fund is given below:

<b>Financial year ended</b>	<b>Date of declaration of Dividend</b>	<b>Last date upto which claim can be lodged for unpaid Dividend</b>
31.03.2009	07.08.2009	13.08.2016
31.03.2010	11.08.2010	17.08.2017
31.03.2011	11.08.2011	17.08.2018
31.03.2012	09.08.2012	16.08.2019
31.03.2013	03.09.2013	09.09.2020
31.03.2014	28.08.2014	03.09.2021

Shareholders who have not so far en-cashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately. **Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which remain unclaimed or unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.**

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notifies the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which are applicable to the Company. The objective of the IEPF rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation in transit. Unclaimed dividend information is on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also on the website of the company viz. [www.munjalshowa.net](http://www.munjalshowa.net).

- 09) Members are requested to notify immediately any change of address including email IDs.
  - i) To their Depository Participants (DPs) in respect of their electronic share accounts, and
  - ii) To the Company's Registrar, MCS Share Transfer Agent Limited, F-65 Okhla Industrial Area, Phase I, New Delhi 110 020 in respect of their physical share folios, if any, quoting their folio number.
- 10) Electronic Clearing Service (ECS) Facility
 

The Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the major cities and towns. Members holding shares in the physical form who wish to avail ECS facility may authorize the Company with their ECS mandate in the prescribed Form which can be obtained from the Company upon request.
- 11) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members / transferee(s) are required to furnish a copy of their PAN to the Company / Registrar & Transfer Agent, MCS Share Transfer Agent Limited.
- 13) Members are requested to bring their copy of the Annual Report and Attendance Slip duly filled in to the Annual General Meeting.
- 14) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

#### **VOTING THROUGH ELECTRONIC MEANS**

In compliance with the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the members are provided with the facility to cast their votes on resolutions through e-voting as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM). The business shall be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through ballot/polling paper shall also be made available at the venue of the 30<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 19, 2015 have the option to request for physical copy of the Ballot Form by sending an e-mail to [cs@munjalshowa.net](mailto:cs@munjalshowa.net) by mentioning their Folio/DP-ID and Client-ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than one day before the General Meeting. Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid. The Company has appointed Mr. Satyender Kumar (FCS 4087), Proprietor- Satyender Kumar & Associates, Company Secretaries, Gurgaon as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

**The instructions to members for voting electronically are as under:-**

- i. The voting period begins on Sunday, August 23, 2015 at 9.00 a.m. and ends on Tuesday, August 25, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 25, 2015.
- ii. Members holding shares in physical or in demat form as on August 19, 2015 shall only be eligible for e-voting.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID;
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>



- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the Munjal Showa Limited.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xvi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xviii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non-Individual Shareholders & Custodians:
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO THE NOTICE

### A. EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 5

The Board of Directors of the Company in its meeting held on May 22, 2015 has appointed Mr. Matsui Masanao as an Additional Director of the Company w.e.f. May 22, 2015. A notice under Section 160 of the Companies Act, 2013 along with requisite deposit has been received from a member proposing the candidature of Mr. Matsui Masanao as a Director of the Company.

Mr. Matsui Masanao, aged 49 years, completed his graduation from National College of Technology Japan. He started his career in 1987 as Engineer of 2-wheel Suspension R&D. He served various stations in Japan and abroad during his tenure. Recently he has been promoted as General Manager of Production Planning Office. He is presently not holding the membership of the Board/ Committee(s) of any Company.

Except Mr. Matsui Masanao, and his relative none of the Director, Key Managerial Personnel (KMPs) and their relatives are interested /concerned either financial or otherwise in the Resolution under Item No. 5 of the notice. Mr. Matsui Masanao does not hold any equity shares in the Company.

The Board recommends the resolution to the members for their approval.

**Item No. 6**

The Members had approved basic salary of Mr. Isao Ito- Joint Managing Director as Rs. 9,00,000/- p.m. with effect from September 01, 2014 in the Twenty Ninth Annual General Meeting held on August 28, 2014. Under the leadership of Mr. Isao Ito, profitability of the Company grown during the year in spite of the challenging environment. In view of the vast experience and valuable contribution made by Mr. Isao Ito towards the growth of the Company and the job responsibilities handled by Joint Managing Director in the challenging environment, and on the basis of recommendation of Nomination and Remuneration Committee, your Board of Directors have, by passing a Resolution in their meeting held on May 22, 2015, revised the basic salary of Joint Managing Director to Rs. 10,50,000/- per month from Rs. 9,00,000/- per month and Special Pay Rs. 1,00,000/- per month w.e.f. September 01, 2015 for the remaining period of his tenure. All other terms and conditions of his appointment including remuneration (Including allowances, perquisites and benefits) will remain same.

Except Mr. Isao Ito, and his relative none of the Director, Key Managerial Personnel (KMPs) and their relatives are interested /concerned either financial or otherwise in the Resolution under Item No. 6 of the notice. Mr. Isao Ito does not hold any equity shares in the Company.

The Board recommends the resolution to the members for their approval.

**Item No. 7**

The Members had approved basic salary of Mr. Yogesh Chander Munjal- Managing Director as Rs. 13,00,000/- p.m. with effect from September 01, 2014 in the Twenty Ninth Annual General Meeting held on August 28, 2014. Under the leadership of Mr. Yogesh Chander Munjal, profitability of the Company grown during the year in spite of the challenging environment. In view of the vast experience and valuable contribution made by Mr. Yogesh Chander Munjal towards the growth of the Company and the job responsibilities handled by Managing Director in the challenging environment, and on the basis of recommendation of Nomination and Remuneration Committee, your Board of Directors have, by passing a Resolution in their meeting held on May 22, 2015, revised the basic salary of Managing Director to Rs. 14,50,000/- per month from Rs. 13,00,000/- per month w.e.f. September 01, 2015 for the remaining period of his tenure. All other terms and conditions of his appointment including remuneration (Including allowances, perquisites and benefits) will remain same.

Except Mr. Yogesh Chander Munjal himself and Mrs. Charu Munjal being related to him, and their relatives none of the Director, Key Managerial Personnel (KMPs) and their relatives are interested /concerned either financial or otherwise in the Resolution under Item no. 7 of the Notice. Mr. Yogesh Chander Munjal does not hold any equity shares in the Company.

The Board recommends the resolution to the members for their approval to be adopted as special resolution, since the age of Mr. Yogesh Chander Munjal is more than 70 years.

Place: New Delhi  
Dated: May 22, 2015

By Order of the Board of Directors  
For **MUNJAL SHOWA LIMITED**

**Registered Office:**

9-11, Maruti Industrial Area  
Sector - 18, Gurgaon, Haryana - 122 015  
**Email:** msladmin@munjalshowa.net  
**Website:** www.munjalshowa.net  
**CIN:** L34101HR1985PLC020934  
**Phone No.:** 0124-4783000, **Fax:** 0124-2341359

**SAURABH AGRAWAL**  
**COMPANY SECRETARY**  
**Membership No. A36163**