

MINUTES OF TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MUNJAL SHOWA LIMITED HELD ON THURSDAY, THE 11TH DAY OF AUGUST, 2011 AT 11:00 A.M. AT THE COMPANY'S PLANT LOCATED AT 26E & F, SECTOR-3, IMT MANESAR, GURGAON-122050 HARYANA.

DIRECTORS PRESENT

1. Mr. Yogesh Chander Munjal
2. Mr. Tetsuo Terada
3. Mr. Krishan Chand Sethi
4. Mr. Anil Kumar Vadehra
5. Mr. Nand Dhameja
6. Mr. Devi Singh
7. Mr. Vinod Kumar Agrawal

SHAREHOLDERS' ATTENDANCE

35 shareholders were present personally and 12 shareholders were represented by their proxies.

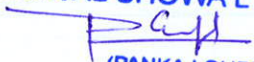
CHAIRMAN

Since, Mr. Brijmohan Lall Munjal - Chairman has requested for grant of leave of absence, on the proposal of Mr. Nand Dhameja seconded by Mr. Vinod Kumar Agrawal, Mr. Krishan Chand Sethi was elected as Chairman unanimously by the members and he presided over the meeting.

At the outset the Chairman welcomed the members to the 26th Annual General Meeting of the Company. He then introduced the Directors sitting on the dais to the members.

The Chairman, then ascertained and declared that being the quorum present, the meeting was called to order. He, thereafter, delivered his speech to the members.

The Chairman then called upon the Company Secretary, Mr. Pankaj Gupta to read the Auditors' Report. After the Auditors' Report was read by the Company Secretary, the following Ordinary and Special Business as specified in the notice convening the meeting were taken up for consideration: -

For MUNJAL SHOWA LTD.

(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

ORDINARY BUSINESS: -

- 01. CONSIDERATION AND ADOPTION OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE AND DIRECTORS' AND AUDITORS' REPORT THEREON.**

AS AN ORDINARY RESOLUTION

Proposed by : Mr. S K Bhutani, and

Seconded by : Mr. Toni Bhatia

“RESOLVED that the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date, together with the report of the Directors' and Auditors' thereon, as circulated to the members and now placed before the meeting be and are hereby approved and adopted.”

Before taking up the resolution for adoption of accounts, Chairman invited the members to raise queries on the performance and working results of the Company, if they so wished.

There was no major query raised by the shareholders however Mr. Vinod Kumar Agrawal, the Chairman of Audit committee was available to attend to the queries of the shareholders.

The Chairman thanked the members for the keen interest evinced by them in the working of the Company.

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

- 02. DECLARATION OF DIVIDEND FOR THE YEAR 2010-11**

AS AN ORDINARY RESOLUTION

Proposed by : Mr. Bhupinder Kumar Sharma, and

Seconded by : Mr. Devesh Gupta

“RESOLVED that pursuant to the recommendation of the Board of Directors dividend at the rate of Rs 2.50 per share on 39,995,000 Equity Shares of Rs. 2.00 each, of the Company aggregating to Rs. 9,99,87,500 for the year ended March 31, 2011, be and is hereby declared out of the current profits of the Company and that the same be paid, to those shareholders whose names appear on the Company's register of members as on August 11, 2011.”

For **MUNJAL SHOWA LTD.**


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

**03. RE-APPOINTMENT OF MR. BRIJMOHAN LALL MUNJAL AS DIRECTOR
AS AN ORDINARY RESOLUTION**

Proposed by : Mr. S K Bhutani, and

Seconded by : Mr. Devesh Gupta

“RESOLVED THAT Mr. Brijmohan Lall Munjal, a Director of the Company, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

**04. RE-APPOINTMENT OF MR. NAND LAL DHAMEJA AS DIRECTOR.
AS AN ORDINARY RESOLUTION**

Proposed by : Mrs. Pratima Gupta, and

Seconded by : Mr. S K Bhutani

“RESOLVED THAT Mr. Nand Lal Dhameja, a Director of the Company, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

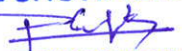
**05. RE-APPOINTMENT OF MR. DEVI SINGH AS DIRECTOR.
AS AN ORDINARY RESOLUTION**

Proposed by : Mr. Bhupinder Kumar Sharma and

Seconded by : Mr. Devesh Gupta

“RESOLVED THAT Mr. Devi Singh, a Director of the Company, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

For MUNJAL SHOWA LTD.


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

06. RE-APPOINTMENT OF AUDITORS

AS AN ORDINARY RESOLUTION

Proposed by : Mr. Ashwani Kumar, and

Seconded by : Mr. Bhupinder Kumar Sharma

“RESOLVED that M/s S. R. Batliboi & Co., Chartered Accountants (Registration No. 3013003E), Gurgaon the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration (including fees for certification) and reimbursement of out of pocket expenses as may be approved by the Board of Directors of the Company after having discussion with the auditors and considering the time spent and actual efforts put in by the auditors.”

The resolution was put to vote and was passed unanimously on show of hands as an Ordinary Resolution.

SPECIAL BUSINESS: -

**07. VARIATION IN TERMS OF APPOINTMENT OF MR. TETSUO TERADA-
JOINT MANAGING DIRECTOR OF THE COMPANY**

AS AN ORDINARY RESOLUTION

Proposed by : Mrs. Arun Sachdeva, and

Seconded by : Mr. Ashwani Kumar

“RESOLVED THAT pursuant to the recommendations of the Remuneration Committee and in partial modification of the earlier Resolution passed in the Twenty fifth Annual General Meeting held on August 11, 2010, the consent of the Company be and is hereby accorded under Sections 198, 269 and 309 read with Schedule- XIII and other applicable provisions, if any, of the Companies Act, 1956 that the Basic Salary payable to Mr. Tetsuo Terada- Joint Managing Director be increased to Rs. 6,00,000/- per month from Rs. 5,00,000/- per month with effect from September 01, 2011 for the remaining period of his tenure.

RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged.

For **MUNJAL SHOWA LTD.**


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

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 Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

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

The Members had approved basic salary of Mr. Tetsuo Terada- Joint Managing Director Rs. 5,00,000/- with effect from May 18, 2010 in the Twenty Fifth Annual General Meeting held on August 11, 2010. The job responsibilities of Joint Managing Director have increased in view of increase in the volume of business of IIIrd Plant at Haridwar (Uttarakhand). Keeping in view the above and on the basis of recommendation of Remuneration Committee, your Board of Directors have, by passing a Resolution in their meeting held on May 20, 2011, revised the basic salary of Joint Managing Director to Rs. 6,00,000/- per month from Rs. 5,00,000/- per month with effect from September 1, 2011 for the remaining period of his tenure. All other terms and conditions of his appointment will remain same.

Except Mr. Tetsuo Terada, no other director is interested /concerned in the Resolution under Item no. 7.

The resolution was put to vote and passed unanimously on show of hands as an Ordinary Resolution.

8. RE-APPOINTMENT OF MR. YOGESH CHANDER MUNJAL AS MANAGING DIRECTOR OF THE COMPANY

AS SPECIAL RESOLUTION

Proposed by : Mr. Pratima Gupta, and

Seconded by : Mr. Ashwani Kumar

"RESOLVED THAT pursuant to the recommendation by the Remuneration Committee of the Company and Sections 269, 309, 198 and Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the said Act and subject to the approval of the Central Government, if required, Mr. Yogesh Chander Munjal be and is hereby re-appointed as the Managing Director of the Company for a further period of five years with effect from September 01, 2011, on such terms and conditions and remuneration as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT in terms of Article 116 of the Articles of Association of the Company, so long as Mr. Yogesh Chander Munjal continues to act as Managing Director, he shall not be liable to retire by rotation."

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

Mr. Yogesh Chander Munjal, aged 71 years, is an eminent personality in the corporate world. He graduated in the field of Architecture from the IIT of Roorkee. Ever since he finished his formal education, he was associated with many of the Hero Group companies in the capacity of CEO and contributed for making the companies as world leaders.

For MUNJAL SHOWA LTD.


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

He is the Chairman of Indian National Suggestion Schemes' Assn. (INSSAN) – (Northern India Chapter), Japan Desk of PHD Chamber of Commerce & Industry and TPM Club of India, Regional Council member of CII, Executive member of ACMA, Life member of Indian Institute of Public Administration, Member of National Safety Council, All India Management Association. Earlier, he served as president of Gurgaon Industrial Association, Chairman of CII (Haryana Committee) and Chairman of Haryana Chamber of Commerce and Industry, Gurgaon.

He is member of Alumni Assn. of University of Roorkee and India Habitat Centre. He is senior active member of Rotary Club of Delhi Southend and served as President of the club during the year 1991-92 & member of Rotary Education Foundation R.I. District – 3010. He is member of Board of Governors of Amity Business School, member of Governing Council of Mist University, Managing Committee member of D.A.V. Public School, Gurgaon.

He has received Best Client Award in 1999 from Leadership Management Institute U S A at Hawaii, USA

The present tenure of Mr. Yogesh Chander Munjal as Managing Director of the Company expires on August 31, 2011.

During his tenure of five years, Mr. Yogesh Chander Munjal steered the Company to great heights and the Company has taken strategic move towards new clientele and increase in the volume of business of IIIrd Plant at Haridwar (Uttarakhand). Under his stewardship, the Company has achieved a record turnover. Keeping in view his long standing experience, expertise, knowledge in managing the affairs of the Company, current salary of Rs. 7,50,000/- per month and pursuant to the recommendation of Remuneration Committee in their meeting held on May 19, 2011, he has been re-appointed as Managing Director by the Board of Directors by passing a Resolution in its meeting held on May 20, 2011 for a further period of five years w.e.f. September 01, 2011 subject to approval of the shareholders, on the terms and conditions including minimum remuneration, as set out below.

1. Basic Salary: Rs. 8,50,000/- (Rs. Eight Lacs Fifty Thousand Only) p.m.
2. Commission: He shall also be allowed commission in addition to Basic Salary, perquisites and any other allowances, benefits, or amenities subject to the condition that the amount of commission shall not exceed 1% of the net profits of the Company in a particular financial year as computed in the manner referred to in Section 198 read with sections 349 and 350 of the Companies Act, 1956.
3. Perquisites and Allowances: In addition to the above Basic Salary and Commission, he shall be entitled to the following perquisites and allowances:
 - a) Residential Accommodation: He shall be entitled to 60% of the basic salary relevant for the concerned period as and by way of House Rent Allowance with free use of all the facilities and amenities including deploy of security guards which shall be provided by the Company;
 - b) Medical Reimbursement: Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family;
 - c) Leave Travel Concession: For him and his family once in a year incurred in accordance with any Rules specified by the Company;
 - d) Club Fees: Actual fees of clubs will be reimbursed;
 - e) Gas, Electricity & Water: Actual Expenses on Gas, Electricity and Water will be paid by the Company;
 - f) Personal Accident Insurance: Actual premium to be paid by the Company;

For MUNJAL SHOWA LTD.


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary

- g) Insurance of Household goods: Actual premium to be paid by the Company;
- h) Car: Facility of car(s) with driver;
- i) Telephone: Free telephone facility at Residence including mobile phone facility;
- j) Leave: One month's leave with full salary for every 11 months of service subject to the condition that the leave accumulated but not availed will not be en-cashed;
- k) Reimbursement of other expenses: Reimbursement of entertainment, traveling, hotel and other expenses actually and properly incurred for the business of the Company;
- l) Contribution to Provident and Superannuation Funds: Company's contribution to Provident and Superannuation funds will be as per the Rules of the Company; and
- m) Gratuity: Not exceeding half month's salary for each completed year of service, as per the Rules of the Company.

4. Minimum Remuneration

In case of any loss or inadequacy of profits during any financial year, the remuneration payable to Mr. Yogesh Chander Munjal shall not exceed the limits as prescribed under Part-II of Schedule XIII of the Companies Act, 1956.

Provided that the aggregate amount of remuneration payable to him in a particular financial year will be subject to the overall ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.

However, he shall not be entitled to any sitting fee for attending meetings of the Board or Committee thereof.

Explanation: For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents;

The terms of appointment and remuneration including minimum remuneration as detailed in the resolution read with Explanatory Statement may be regarded as an abstract of the terms of Appointment and Memorandum of Interest under section 302 of the Companies Act, 1956.

Mr. Yogesh Chander Munjal may be deemed to be interested / concerned in the Resolution under Item no. 8.

He also hold directorship in Dayanand Munjal Investments Private Limited.

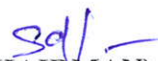
Mr. Yogesh Chander Munjal does not hold any equity shares in the Company.

The resolution was put to vote and was passed unanimously on show of hands as an Special Resolution.

VOTE OF THANKS

As there was no other business to be transacted, the meeting was concluded with a vote of thanks to the Chair.

Place: Gurgaon
Date: 11.08.2011


(CHAIRMAN)

For MUNJAL SHOWA LTD.


(PANKAJ GUPTA)
GM (F&A) &
Company Secretary