



## EXEDY India Limited

(formerly known as Ceekay Daikin Limited)

(Registered Office: Plot No. L-4, MIDC Industrial Estate, Chikalthana, Aurangabad – 431 210, Maharashtra)

### POSTAL BALLOT NOTICE

**NOTICE pursuant to Section 192A(2) of the Companies Act, 1956 and other applicable provisions of the said Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 read with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "Delisting Regulations").**

To

The Member(s),

NOTICE is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and the Delisting Regulations as amended from time to time, to the members of Company to consider and if thought fit, to pass the following resolution noted herein as a special resolution by way of postal ballot ("**Notice**").

The resolution, the explanatory statement, containing all material facts and a postal ballot form are enclosed with this Notice. The said resolution and the explanatory statement are being sent to you along with a postal ballot form (**the "Form"**) and self addressed, postage pre-paid envelope for your consideration and voting.

The Board of Directors of the Company (**the "Board"**) have appointed Mr. Rakesh Sanghani, practicing Company Secretary as the scrutinizer (**the "Scrutinizer"**) for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Form and return the Form (no other form or photocopy is permitted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on 20th July, 2011. Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company.

The Scrutinizer will submit his report to the Chairman / Directors of the Company after completion of scrutiny of Forms received. The result of voting by Postal Ballot will be announced on 25th July, 2011, at 11.00 a.m. at the corporate office of the Company. Additionally, the result will be communicated to the Bombay Stock Exchange Limited (**the "BSE"**) where the equity shares of the Company (**the "Equity Shares"**) are listed.

### **PROPOSED RESOLUTION**

Voluntary Delisting of the Equity Shares of Company from the Bombay Stock Exchange Limited

To consider and if thought fit, to pass with or without modification, the following Resolution as a "Special Resolution":

**"RESOLVED THAT**, pursuant to the letter dated May 30, 2011 received from EXEDY Corporation, Japan (**referred to as the "EXEDY Corp" or the "Acquirer"**) conveying its intention to voluntarily delist the Equity Shares of the Company from the BSE in accordance with the Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2009 (the "Delisting Regulations"), and further pursuant to the approval of the board of directors of the Company (**"Board"**) to the voluntary delisting of the Equity Shares of the Company from the BSE dated [June 9, 2011], and further pursuant to regulation 8(1)(b) and other applicable provisions of the Delisting Regulations and subject to the applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), and receipt of the necessary approvals from the BSE and such other authorities, regulatory or otherwise, as may be required and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board, (which term shall be deemed to include any committee of the Board or person authorized by the Board thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to seek voluntary delisting of the Equity Shares of the Company from BSE and the Board (which term shall be deemed to include any committee of the Board or person authorized by the Board thereof) shall take all necessary steps and make all necessary filings to facilitate such delisting in accordance with the procedure and conditions specified in the Delisting Regulations"

**"RESOLVED FURTHER THAT**, for the purpose of giving effect to the voluntary delisting of the equity shares as described herein above. Mr. Mahesh Kothari, Executive Chairman and / or Mr. Pradeep Chinai, Managing Director and / or Mr. Akira Hirai, Managing Director and / or Mr. Hideshi Shiba, Whole Time Director and / or Mr. Saurabh Kothari, Executive Director and / or Mr. Hetay Vora, Company Secretary, be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose, including making applications to the BSE to seek their in-principle and final approval for the proposed voluntary delisting of the equity shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any committee of the Directors or any Director(s) or officer(s) of the Company to give effect to the aforesaid resolution"

By Order of the Board

Hetay Vora  
Company Secretary and Compliance Officer  
Date: June 9th, 2011  
Place: Mumbai

**Notes:**

1. An explanatory statement as required under the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of Regulation 8(1)(b) of the Delisting Regulations read with Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the item of business set out in the Notice above is sought to be passed by Postal Ballot.
3. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours (1700hours) on or before 20th July 2011.
4. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
5. Member's voting rights shall be in proportion to his/her share of the paid up Equity Share capital of the Company.
6. The results of the Postal Ballot will be announced by the Chairman of the Company or by the Managing Director or any other Director on or before 25th July, 2011 at the corporate office of the Company and will also be published in newspapers.
7. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the said Special Resolution, provided that in terms of the Delisting Regulations, the Special Resolution shall be acted upon only if the votes cast by public shareholders in favour of the Special Resolution amount to at least two times the votes cast by public shareholders against the Special Resolution.

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 (formerly known as Ceekay Daikin Limited)  
 (Registered Office: Plot No. L-4, MIDC Industrial Estate, Chikalthana,  
 Aurangabad – 431 210, Maharashtra)

**CALENDAR OF EVENTS**

Activity	Tentative Dates	Day
Date of consideration of the matter in the Board meeting	09 <sup>th</sup> June, 2011	Thursday
Date of appointment of scrutinizer	09 <sup>th</sup> June, 2011	Thursday
Date of Board Meeting resolution approving the calendar of events and related procedure	09 <sup>th</sup> June, 2011	Thursday
Filing of Intimation of the Board meeting resolution to the stock exchange.	09 <sup>th</sup> June, 2011	Thursday
Filing of intimation of the calendar of events for conducting postal ballot to the stock exchange.	10 <sup>th</sup> June, 2011	Friday
Filing of intimation of the Board resolution and event of calendar for conducting postal ballot to the Registrar/MCA	10 <sup>th</sup> June, 2011	Friday
Date of completion of dispatch of notice along with postal ballot	14 <sup>th</sup> June, 2011	Tuesday
Publication of notice in newspaper for postal ballot process and appointment of scrutinizer and compliance officer	15 <sup>th</sup> June, 2011	Wednesday
Last date for receiving postal ballot paper by scrutinizer	20 <sup>th</sup> July, 2011	Wednesday
Date of handing over the ballot papers to the designated authority	21 <sup>st</sup> July, 2011	Thursday
<b>Date on which the results of the postal ballot will be announced.</b>	25 <sup>th</sup> July, 2011	Monday
Date of returning the ballot papers, register required to be maintained by the scrutinizer under rule 5(e) of the Companies(Passing of the Resolution by Postal Ballot) Rules, 2001 and other related papers to the Authorised Official of the Company by the scrutinizer	25 <sup>th</sup> July, 2011	Monday
Date of signing of the minutes book by the Chairman in which the result of ballot is recorded	25 <sup>th</sup> July, 2011	Monday

Accordingly, EXEDY Corp has vide its letter dated June 9th, 2011 communicated to the Company that the floor price as determined by the Delisting Regulations is Rs. 141.36/- (Rupees One Hundred Forty One & Thirty Six Paise Only) per Equity Share of the Company (the "Floor Price"). The Company was provided with a copy of the Valuation Report by EXEDY Corp. At a meeting held on June 9th, 2011, the Committee of Directors reviewed and took on record the said letter dated June 9th, 2011 along with the Valuation Report.

EXEDY Corp acquired Equity Shares of the Company at Rs. 178.50 per equity share (the "Open Offer Price") under the Open Offer. EXEDY Corp is willing to acquire the remaining Equity Shares of the Company from public shareholders under this delisting offer at the same price. The Open Offer Price represents a premium of approximately 11% over the closing price of the Company on May 27, 2011. However, this should not, in any manner, be construed as a ceiling or the maximum price for the purposes of the reverse book building process contemplated herein. The public shareholders are free to tender their equity shares at any price higher than the floor price under the Delisting Regulations, which will be communicated to the shareholders subsequently.

EXEDY Corp reserves the right to (i) accept the offered shares at a price higher than the Open Offer Price, if such higher price is discovered pursuant to the reverse book building process under the Delisting Regulations and is acceptable to EXEDY Corp; or (ii) not to accept the offered shares if the price discovered pursuant to the reverse book building process under the Delisting Regulations, is higher than the Open Offer Price and not acceptable to EXEDY Corp.

As per the Delisting Regulations, a company may voluntarily delist its equity shares from the stock exchanges where its equity shares are listed, if the acquirer provides an exit opportunity to the shareholders of the company and accepts the exit price for delisting the equity shares in accordance with the reverse book building process prescribed in the Delisting Regulations and subject to the other terms and conditions contained therein (including the making of a public announcement containing the requisite information as prescribed in the Delisting Regulations). As stated hereinabove, for the purpose of Delisting Regulations the term "Acquirer" shall mean EXEDY Corp and it shall not include the Ceekay Group (who are the Indian Promoters of the Company).

In terms of Regulation 8 of the Delisting Regulations, the Delisting Proposal requires the approval of the shareholders of the Company by way of a special resolution passed through a postal ballot in accordance with the Delisting Regulations. As per the terms of the Delisting Regulations, the special resolution passed by the shareholders shall be acted upon only if the votes cast by the public shareholders in favour of the Delisting Proposal amount to at least two times the number of votes cast by the public shareholders against it.

The Acquirer has reserved the right not to proceed with the Delisting Proposal and the Delisting Proposal is conditional upon:

- The acceptance by the Acquirer of the price payable for the Shares as determined by the reverse book building process in accordance with the Delisting Regulations (the "Exit Price"). The Exit Price shall not be lower than the floor price of Rs. 141.36 (Rupees One Hundred Forty One & Thirty Six Paise only) determined in accordance with the Delisting Regulations;
- The number of Equity Shares tendered in the Delisting Proposal at or below the Exit Price being sufficient to result in the Delisting Proposal being successful in terms of the Delisting Regulations;
- Receipt of such approvals as may be required for such acquisition under applicable laws;
- There being no amendments to the Delisting Regulations or any applicable regulations which would prejudice the Acquirer in proceeding with the Delisting Proposal;
- Such other terms and conditions as may be set out in the public announcement or the letter of offer to be sent to the shareholders.

In accordance with the Delisting Regulations, the EXEDY Corp reserves the right to not proceed with the Delisting Proposal in the event the Discovered Price is not acceptable to the Acquirer.

Accordingly, the approval of the shareholders is sought for the aforesaid Special Resolution, after which EXEDY Corp will proceed at its discretion, to make an offer to the shareholders of the Company and purchase the shares at the Exit Price in accordance with the provisions of the Delisting Regulations. The Board, therefore, places the proposed resolution for your consideration and recommends that it be passed as a special resolution.

**Registered Office:**  
L-4, MIDC Industrial Estate,  
Chikalthana,  
Aurangabad – 431 210,  
Maharashtra  
June 9th 2011

**By order of the Board**

Hetay Vora  
Company Secretary and Compliance Officer

**EXPLANATORY STATEMENT REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE AFORESAID RESOLUTION**

**Delisting of the Equity Shares of Exedy India Limited from the Bombay Stock Exchange Limited**

The Equity Shares of Exedy India Limited (the "Company" and "EIL") are at present listed on the Bombay Stock Exchange Limited (the "BSE"). EXEDY Corp (one of the promoters of the Company and hereinafter referred to as the "Acquirer") holds 4,152,913 fully paid-up Equity Shares representing 69.14% of the paid-up equity capital in EXEDY India Limited and Indian Promoters hold 24.80% stake in the Company (the Indian Promoters are hereinafter referred to as the "Ceekay Group"). Combined Promoter Group (EXEDY Corp and Ceekay Group) shareholding in the Company is at 93.94%. EXEDY Corp intends to delist the Equity Shares of the Company from the BSE in India.

The Company has received a letter dated May 30, 2011 from EXEDY Corp, expressing its intention to provide an exit opportunity to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "Delisting Regulations") in order to voluntarily delist the Company's Equity Shares from the BSE (the "Delisting Proposal").

**The objective of EXEDY Corp in making the Delisting Proposal as stated by EXEDY Corp in its letter dated May 30, 2011 is as follows:**

EXEDY Corp vide public announcement dated January 25, 2010 made an open offer to acquire 1,201,340 equity shares from public shareholders of EIL under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "SEBI Takeover Code") (the "Open Offer") subsequent to preferential allotment of equity shares in the Company to EXEDY Corp and Ceekay Group.

The pre and post preferential allotment shareholding of EXEDY Corp and Ceekay Group is as follows:

Particulars	Pre –preferential allotment	Post- preferential allotment	Post Open Offer
EXEDY Corp	1,295,050 equity shares representing 32.12% of equity capital	3,014,763 equity shares representing 50.19% of expanded equity capital	4,152,913 equity shares representing 69.14 % of the equity capital
Ceekay Group	1,234,438 equity shares representing 30.62% of equity capital	1,489,925 equity shares representing 24.80% of expanded equity capital	1,489,925 equity shares representing 24.80% of equity capital

Post preferential allotment, 24.80% of the equity capital of the Company was held by Ceekay Group and as a result of the Open Offer, the public shareholding of the Company was reduced to 6.06%, which is below the maximum permissible limit required under the listing conditions applicable to the Company. In the Letter of Offer dated April 20, 2010 for the above-mentioned Open Offer, EXEDY Corp had disclosed that:

*"...In the event the promoter shareholding pursuant to the acquisition under the Offer is found to be substantially in breach of the maximum permissible limit under the listing agreement, the Acquirer presently intends to make a delisting offer within the next three years. This is subject to various factors like the financial position of the Acquirer, market price of the Target Company, the regulatory framework for delisting, the post offer shareholding etc., after the completion of the Offer."*

As the Company's largest shareholder and one of the promoters, EXEDY Corp has concluded that a successful delisting offer will bring the Company outside the purview of listing regulations. Further EXEDY Corp believes that such an exercise, if successful, would offer more flexibility and greater efficiency in the operations and management of the Company to support its business and meet the requirements of its customers. EXEDY Corp also believes that a delisting offer will provide an exit opportunity for the public shareholders of the Company, the Equity Shares of which are presently thinly traded on the BSE.

EXEDY Corp thus intends to purchase the outstanding publicly held Equity Shares of the Company and delist the shares from the BSE pursuant to and in accordance with the Delisting Regulations.

The Equity Shares of the Company being deemed to be infrequently traded, as per the explanation to Regulation 15(2) of the Delisting Regulations. Based on the Valuation Report dated June 9th, 2011 of Walker, Chandiook and Co., Chartered Accountants (the "Valuation Report"), EXEDY Corp in consultation with Ambit Corporate Finance Private Limited, Merchant Banker appointed by EXEDY Corp, has determined the Floor Price of Rs. 141.36 per equity share in accordance with the applicable provisions of Regulation 15(3) of the Delisting Regulations.