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DIRECTORS

MAHESH B. KOTHARI	(w.e.f 27 th July, 2010)	EXECUTIVE CHAIRMAN
HOMI C. H. BHABHA		
SHREEKANT V. MEHTA		
BHARAT H. PATEL		
PRADEEP B CHINAI		MANAGING DIRECTOR
AKIRA HIRAI	(w.e.f 27 th July, 2010)	MANAGING DIRECTOR
HIDESHI SHIBA	(w.e.f 27 th July, 2010)	WHOLE TIME DIRECTOR
HIDEHITO HISAKAWA	(upto 26 th November, 2009)	
SUDHIR SATHE	(w.e.f 27 th July, 2010)	

COMPANY SECRETARY

HETAY VORA

AUDITORS

D. L. SHAH & CO.
CHARTERED ACCOUNTANTS, MUMBAI

BANKERS

BANK OF MAHARASHTRA
IDBI BANK LTD.
KOTAK MAHINDRA BANK LTD.
ICICI BANK LTD.

REGISTERED OFFICE

PLOT NO. L - 4, M. I. D. C. INDUSTRIAL AREA,
CHIKALTHANA, AURANGABAD - 431 210, MAHARASHTRA.

HEAD OFFICE

NKM INTERNATIONAL HOUSE, 4TH FLOOR,
178, BABUBHAI M. CHINAI MARG, MUMBAI - 400 020.

MANUFACTURING FACILITIES

- UNIT 1** : PLOT NO. L - 4, M. I. D. C. INDUSTRIAL AREA,
CHIKALTHANA, AURANGABAD - 431 210, MAHARASHTRA.
- UNIT 2** : PLOT NO.9, UDYOG KENDRA INDUSTRIAL AREA,
GREATER NOIDA - 201 304 (U.P.)

REGISTRAR & TRANSFER AGENTS

LINK INTIME SPECTRUM REGISTRY PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG,
BHANDUP (WEST), MUMBAI - 400 078.

CEEKAY DAIKIN LIMITED

NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of CEEKAY DAIKIN LIMITED will be held on Tuesday, 31st day of August, 2010 at 11.30 a.m. at the Registered Office at Plot L-4, MIDC Industrial Area, Chikalthana, P. O. CIDCO, Aurangabad - 431 210, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditor's Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.
2. To appoint a Director in place of Mr. Bharat Patel who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution relating to the Appointment of Auditors of the Company:

"RESOLVED THAT M/s D. L. Shah & Co., Chartered Accountants, Central Bldg, No. 2, Silk Bazar, Mumbai- 400 002, having Reg. No. 109542W and Membership No. 3784, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at such remuneration plus service tax and out-of-pocket expenses as may be determined by the Board of Directors on the recommendation of the Audit Committee of the Board."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Sudhir Sathe, who was appointed as Additional Director of the Company on 27th July, 2010 pursuant to section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the Articles of Association of the Company."

5. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as special resolution for change of name of the company :

"RESOLVED THAT subject to the approval of the Central Government and the shareholders of the company, the name of the Company be and is hereby changed from "CEEKAY DAIKIN LIMITED" to "EXEDY INDIA LIMITED" or as may be made available by the Registrar of the Companies and agreed upon by the Board of Directors of the Company.

“RESOLVED FURTHER THAT Mr. Mahesh B. Kothari and/or Mr. Pradeep B. Chinai , Managing Directors and/or Mr. Saurabh Kothari, Executive Director & Mr. Hetay Vora, Company Secretary of the company be and are hereby authorised to make necessary application for obtaining approval to the change of name accordingly to the Registrar of Companies, Maharashtra, Mumbai and to do all such acts and things as may be deemed necessary in this regard.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution for alteration in Memorandum of Association :

“RESOLVED THAT subject to approval of the shareholders in a general meeting and also by Registrar of Companies, Maharashtra, Mumbai. Clause “I” of the Memorandum of Association of the company be replaced by the following new clause :-

I. The name of the company is “EXEDY INDIA LIMITED”

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as special resolution for alteration in Article of Association :

“RESOLVED THAT subject to approval of the shareholders in a general meeting and also by Registrar of Companies, Maharashtra, Mumbai. Clause 3 para 4 of the Article of Association of the company be replaced by the following new para

“The Company”or “this Company” means “EXEDY INDIA LIMITED”

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as special resolution for appointment of Mr. Mahesh B. Kothari as Director & Executive Chairman.

RESOLVED THAT pursuant to the provision of section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 and subject to approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. Mahesh B. Kothari, as Director & Executive Chairman of the company for the period from 27th July, 2010 to 26th July, 2013 on the remuneration and terms and condition as given below.

1. Salary : Rs.225,000/- per Month, in scale of Rs 25,000/- - Rs. 250,000/- to Rs. 275,000/-
2. Commission : 1% of the net profit of the Company subject to the overall ceiling laid down in section 198 and section 309 of the Companies Act, 1956
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories A, B & C as follows :

CATEGORY A :

House rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance as under:

- I. HOUSING: Unfurnished residential accommodation subject to a ceiling of sixty percent of salary, over and above ten percent payable to the Director and Executive Chairman or

CEEKAY DAIKIN LIMITED

house rent allowance of Sixty percent in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued in accordance with Income Tax Rules, 1962. This shall however, be subject to a ceiling of ten percent of the salary of the Director & Executive Chairman.

- II. MEDICAL REIMBURSEMENT : Expenses incurred for the Director & Executive Chairman and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- III. LEAVE TRAVEL CONCESSION : For the Director & Executive Chairman and his family, once in a year incurred in accordance with the Company's rules.
- IV. CLUB FEES : Fees of Clubs subject to Maximum of two clubs. This will not include admission or life membership fees.
- V. PERSONAL ACCIDENT INSURANCE : Premium as per the Company's rule.

CATEGORY B :

Contribution to provident fund, superannuation fund or annuity fund/gratuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and as per the rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY C:

Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director & Executive Chairman.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said remuneration including salary, allowances and perquisites in such a manner as may be agreed to between the Board and Mr. Mahesh B. Kothari within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act or any amendment(s) and /or any statutory modification(s) thereto, and is necessary as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. Mahesh B. Kothari."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where, in any financial year during the currency of the term of Mr. Mahesh B. Kothari as Director & Executive Chairman, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Mahesh B. Kothari remuneration by way of salary, allowances and perquisites within the limits specified in Part II of Schedule XIII of the said Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company (Hereinafter referred to as the “Board” which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the power conferred on the Board by this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in this regards.”

“RESOLVED FURTHER THAT because of any unavoidable circumstances due to which his term as Director & Executive Chairman can not be completed, the company will compensate fully for the remainder of his appointment.”

“RESOLVED FURTHER THAT Mr. Hetay Vora, Company Secretary, be and is hereby authorised to submit the necessary resolution after the approval of a member in Annual General Meeting to The Ministry of Corporate Affairs and to do all such acts, things necessary to make application to Central Government for giving effect of this resolutions.”

9. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as special resolution for appointment of Mr. Akira Hirai as Managing Director.

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the consent of the company be and is hereby accorded to the appointment of Mr. Akira Hirai as Managing Director of the Company for the period from 27th July, 2010 to 26th July, 2013 the terms and condition set out here below:

1. Salary : Rs.225,000/- per Month, in scale of Rs25,000/- - Rs. 250,000/- to Rs. 275,000/-
2. Commission : 1% of the net profit of the Company subject to the overall ceiling laid down in section 198 and section 309 of the Companies Act, 1956
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories A, B & C as follows:

CATEGORY A:

House rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance as under:

- I. HOUSING: Unfurnished residential accommodation subject to a ceiling of sixty percent of salary, over and above ten percent payable to the Managing Director or house rent allowance of Sixty percent in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued in accordance with Income Tax Rules, 1962. This shall however, be subject to a ceiling of ten percent of the salary of the Managing Director.

CEEKAY DAIKIN LIMITED

- II. MEDICAL REIMBURSEMENT : Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- III. LEAVE TRAVEL CONCESSION : For the Managing Director and his family, once in a year incurred in accordance with the Company's rules.
- IV. CLUB FEES : Fees of Clubs subject to Maximum of two clubs. This will not include admission or life membership fees.
- V. PERSONAL ACCIDENT INSURANCE: Premium as per the Company's rule.

CATEGORY B :

Contribution to provident fund, superannuation fund or annuity fund/gratuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and as per the rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY C :

Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said remunerations including salary, allowances and perquisites in such a manner as may be agreed to between the Board and Mr. Akira Hirai within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act or any amendment(s) and /or any statutory modification(s) thereto, and is necessary as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. Akira Hirai."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where, in any financial year during the currency of the term of Mr. Akira Hirai as Managing Director, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Akira Hirai remuneration by way of salary, allowances and perquisites within the limits specified in Part II of Schedule XIII of the said Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company (Hereinafter referred to as the "Board" which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the power conferred on the Board by this Resolutions) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in this regards."

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“RESOLVED FURTHER THAT because of any unavoidable circumstances due to which his term as Managing Director cannot be completed, the company will compensate fully for the remainder of his appointment.”

“RESOLVED FURTHER THAT Mr. Hetay Vora, Company Secretary, be and is hereby authorised to submit the necessary resolution after the approval of a member in Annual General Meeting to The Ministry of Corporate Affairs and to do all such acts, things necessary to make application to Central Government for giving effect of this resolutions.”

10. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as special resolution for appointment of Mr. Hideshi Shiba as Whole Time Director.

“RESOLVED THAT pursuant to the provision of section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 and subject to approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. Hideshi Shiba, as Whole Time Director of the company for a period from 27th July, 2010 to 26th July, 2013 on the remunerations and terms and condition as given below.

1. Salary : Rs.225,000/- per Month, in scale of Rs25,000/- - Rs. 250,000/- to Rs. 275,000/-
2. Commission : 1% of the net profit of the Company subject to the overall ceiling laid down in section 198 and section 309 of the Companies Act, 1956
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories A, B & C as follows:

CATEGORY A:

House rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance as under:

- I. HOUSING: Unfurnished residential accommodation subject to a ceiling of sixty percent of salary, over and above ten percent payable to the Whole Time Director or house rent allowance of Sixty percent in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued in accordance with Income Tax Rules, 1962. This shall however, be subject to a ceiling of ten percent of the salary of the Whole Time Director.
- II. MEDICAL REIMBURSEMENT : Expenses incurred for the Whole Time Director and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- III. LEAVE TRAVEL CONCESSION : For the Whole Time Director and his family, once in a year incurred in accordance with the Company's rules.
- IV. CLUB FEES : Fees of Clubs subject to Maximum of two clubs. This will not include admission or life membership fees.
- V. PERSONAL ACCIDENT INSURANCE : Premium as per the Company's rule.

CEEKAY DAIKIN LIMITED

CATEGORY B :

Contribution to provident fund, superannuation fund or annuity fund/gratuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and as per the rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY C:

Provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said remuneration including salary, allowances and perquisites in such a manner as may be agreed to between the Board and Mr. Hideshi Shiba within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act or any amendment(s) and /or any statutory modification(s) thereto, and is necessary as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. Hideshi Shiba."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where, in any financial year during the currency of the term of Mr. Hideshi Shiba as Whole Time Director, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Hideshi Shiba remuneration by way of salary, allowances and perquisites within the limits specified in Part II of Schedule XIII of the said Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolutions the Board of Directors of the Company (Hereinafter referred to as the "Board" which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the power conferred on the Board by this Resolution) be and is hereby authorise to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in this regards."

"RESOLVED FURTHER THAT because of any unavoidable circumstances due to which his term as Whole Time Director cannot be completed, the company will compensate fully for the remainder of his appointment."

"RESOLVED FURTHER THAT Mr. Hetay Vora, Company Secretary, be and is hereby authorised to submit the necessary resolution after the approval of a member in Annual General Meeting to The Ministry of Corporate Affairs and to do all such acts, things necessary to make application to Central Government for giving effect of this resolutions."

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11. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution for revising terms of appointment of Mr. Pradeep B. Chinai as Managing Director.

“RESOLVED THAT subject to the approval of the Central Government, period of reappointment of Mr. Pradeep B. Chinai as Managing Director change to 1st October, 2009 to 26th July, 2013.

“RESOLVED FURTHER THAT subject to approval of the Central Government pursuant to the provision of section 269 and 309 of the Companies Act, 1956 and other applicable provisions remuneration payable to Mr. Pradeep B. Chinai, Managing Director of the company from period 27th July, 2010 to 26th July, 2013 will be Rs. 225,000/- per month, in scale of Rs. 25,000/-, Rs.250,000/- to Rs.275,000/-.”

“RESOLVED FURTHER that all the others terms and condition of appointment will remain same as approved by the Shareholders in Annual General Meeting of the company held on 25th September, 2009 at the Register office.”

12. To consider, and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions :

“RESOLVED THAT the accounts for the year ending 31st March, 2011, of the Company's branch at Greater Noida be audited otherwise than by the Company's Auditors and that for the audit of the accounts of that branch, the Company hereby authorise its Board of Directors to appoint, M/s ASA & Associates, of New Delhi, in consultation with Company's Auditors, under Section 226 of the Companies Act, 1956, and to fix the terms and conditions of appointment and remuneration of such branch auditor(s).”

“RESOLVED FURTHER THAT the power to determine the remuneration to the Branch Auditors be and is hereby delegated to the Audit Committee & Board of Directors.”

By Order of the Board of Directors

HETAY VORA
COMPANY SECRETARY

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai, 27th July, 2010.

CEEKAY DAIKIN LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement, as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
3. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 2010 to 31st August, 2010 (both days inclusive).
5. A Copy each of the Directors' Report, Auditors Report and Audited Profit & Loss Account of the Company for the financial year ended 31st, March 2010 and Balance Sheet as on that date are annexed.
6. Shareholders are requested to inform the Company immediately of any change in their address.
7. The documents relating to any of the items referred to in the Notice are available for inspection at the Registered Office of the Company between 11.00 a.m. to 3.00 p.m. on any working day.
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividends upto the financial year ended 31st March, 2001 have been transferred to the Investor Education and Protection Fund.
9. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by The Companies (Amendment) Ordinance, 1999, now the amount of dividend remaining unclaimed for the period of seven years shall be transferred to the Investor Education and Protection Fund.
10. Member attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled and signed and handover the same at the entrance of the hall.

By Order of the Board of Directors

HETAY VORA
COMPANY SECRETARY

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai, 27th July, 2010.

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ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 4 :-

The board appointed Mr. Sudhir Sathe as an Additional Director on 27th July, 2010. U/s 260 of the Companies Act, 1956, Mr. Sudhir Sathe will hold office upto the date of Annual General Meeting. A notice has been received under section 257 of the Act from a member proposing Mr. Sudhir Sathe's candidature for the office of Director of the company.

Mr. Sudhir Sathe is M.A. (Sociology) and also possess degree of Diploma in Social Science & Administration (From Tata Institute of Social Science). He has worked with many multinational firms as Personnel & HR Consultant.

The Board considers that the company would be benefited by his experience /guidance and advice to the company from time to time.

The Board recommends the resolution for approval of the members.

None of the Directors of the Company except Mr. Sudhir Sathe is concerned or interested in the resolution set out in item No. 4.

ITEM NO. 5, 6, & 7 :-

As a consequence of the acquisition of equity shares of Ceekay Daikin Limited (Company) by Exedy Corporation through preferential allotment and by way of an open offer from the company's Public Shareholders, Exedy Corporation's holding has increased to 69.14%.

Considering the above, Exedy Corporation holding a majority, as well as to align the company's operations with Exedy's global brand, it is proposed to change the name of the Company from "Ceekay Daikin Limited" to "Exedy India Limited"

The name change would enable the company to benefit considerably from the global recognition of the brand name "EXEDY" and goodwill and reputation attached to its product/services around the world.

Your Directors recommend the resolution set out above for your approval.

ITEM No. 8

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

Mr. Mahesh B. Kothari is a B.S Engineer from University of Wayne State university, Detroit USA and possesses wide experience of above 43 years in Automotive part industries, out of which 36 years have been spent in the services of the company.

The Board of Directors, at their meeting held on 27th July, 2010 has appointed Mr. Mahesh B. Kothari, as Director & Executive Chairman of the company for a period from 27th July, 2010 to 26th July, 2013.

The terms & conditions and remuneration as approved by the Board on 27th July, 2010 is set out in the resolution mentioned in notice.

The Board recommends the resolution to the Members of the Company for approval.

CEEKAY DAIKIN LIMITED

None of the Director of the company except Mr. Mahesh B. Kothari & Mr. Pradeep B. Chinai are interested in this item of business, who are deemed to be interested as an individual as well as related parties.

ITEM NO.9

The following additional information as required by schedule XIII to the Companies Act, 1956 is given below:-

Akira Hirai is Graduate from "University of Osaka Prefecture" in Metallurgical Engineering and has wide experience in implementing and operation of Auto ancillary plant

The board of Directors, at their meeting held on 27th July, 2010 has appointed Mr. Akira Hirai as Managing Director of the company for a period from 27th July, 2010 to 26th July, 2013.

The terms & conditions and remuneration as approved by the Board on 27th July, 2010 is set out in the resolution mentioned in notice.

The Board recommends the resolution to the Members of the Company for approval.

Mr. Akira Hirai is concerned and interested in the resolution.

ITEM NO. 10

The following additional information as required by schedule XIII to the Companies Act, 1956 is given below:-

Mr. Hideshi Shiba is B.A in Management from Konan University, Kobe, Japan and has wide experience of above 16 years in automotive parts industry.

The board of Directors, at their meeting held on 27th July, 2010 has appointed Mr. Hideshi Shiba as Whole Time Director of the company for a period from 27th July, 2010 to 26th July, 2013.

The terms & conditions and remuneration as approved by the Board on 27th July, 2010 is set out in the resolution mentioned in notice.

The Board recommends the resolution to the Members of the Company for approval.

Mr. Hideshi Shiba is concerned and interested in the resolution.

ITEM No. 11

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

Mr. Pradeep B. Chinai is B.S. Engineer from University Wisconsin and possesses vast experience of above 36 years in Automotive part industries, out of which 34 years have been spent in the services of the company.

The Board of Directors, at their meeting held on 27th July, 2010 has revised the terms of appointment of Mr. Pradeep B. Chinai, as Managing Director of the company for a period from 27th July, 2010 to 26th July, 2013.

The terms & conditions and remuneration as approved by the Board on 27th July, 2010 is set out in the resolution mentioned in notice.

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The Board recommends the resolution to the Members of the Company for approval.

None of the Director of the company except Mr. Pradeep B. Chinai & Mr. Mahesh B. Kothari are interested in this item of business, who are deemed to be interested as an individual as well as related parties.

ITEM NO. 13

The Resolution is proposed in order to comply with the provision of Section 228(3) of the Companies Act, 1956. This section makes it obligatory for the Company to have all its branches audited by persons qualified to be appointed as auditors of the Company under section 226 of the said Act. The Company has a branch, inter alia, at greater Noida and it being considered desirable, it is proposed, in accordance with the provision of the said Section, to authorise the Board of Directors to appoint, in consultation with the Company's Auditors. M/s ASA & Associates for appointment as Branch Auditors under Section 226 of the Companies Act, 1956 to audit the accounts of the Greater Noida branch of the Company on such remuneration and upon such terms and condition as the Board of Directors & Audit Committee may deem fit.

By Order of the Board of Directors

HETAY VORA
COMPANY SECRETARY

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai, 27th July, 2010

CEEKAY DAIKIN LIMITED

DIRECTORS' REPORT

TO

THE MEMBERS

Your Directors have pleasure in presenting the Thirty Sixth Annual Report together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.

1) FINANCIAL RESULTS:	2009-10	2008-09
	Rs. in Lacs	Rs. in Lacs
i) INCOME		
Sale of products & other services (Net of Excise & Inter division sales)	16152.17	10702.58
ii) EXPENSES		
Manufacturing and other expenses	(14882.85)	(10311.62)
iii) OPERATING PROFIT (before interest & depreciation)	1269.32	390.96
iv) INTEREST	(643.65)	(540.93)
v) GROSS PROFIT (before depreciation)	625.67	(149.97)
vi) DEPRECIATION	(732.00)	(580.87)
vii) PROFIT / (LOSS) (after depreciation)	(106.33)	(730.84)
viii) PROVISION FOR DEFERRED TAX	-	-
ix) PROVISION FOR CURRENT TAX	-	-
x) PROVISION FOR FRINGE BENEFIT TAX	-	(16.25)
xi) TAX IN RESPECT OF EARLIER YEARS	(0.21)	(0.74)
xii) PROFIT / (LOSS) AFTER TAX	(106.54)	(747.83)
xiii) Balance of profit brought forward from previous year	397.36	1145.19
xiv) Amount available for appropriations	290.82	397.36
xv) APPROPRIATIONS		
a) Dividend (Proposed)	-	-
b) Dividend Tax	-	-
c) Transfer to General Reserve	-	-
d) Balance carried to Balance Sheet	290.82	397.36

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2) Equity infusion through Preferential Allotment strengthened balance sheet

Your Company issued and allotted 19,75,200 Equity Shares of Rs. 10/- (Rupees Ten Only) each at a price of Rs. 62/- (Rupees Sixty Two Only) per share to the i) Exedy Corporation, ii) Mahesh B. Kothari & Mr. Pradeep B. Chinai (Mr. Mahesh Kothari & Mr. Pradeep B. Chinai being part of the existing promoter group) on a preferential basis in January, 2010 on receipt of Rs. 12.25 crore allotment money. As a result, the paid up capital of your Company is increased from Rs. 40,314,960/- to Rs. 60,066,960/- on allotment of 19,75,200 equity shares.

3) DIVIDEND

The revenue account of your Company for the year has shown a loss of Rs 106.54 lacs after providing for interest, depreciation and tax liability. In view of the loss incurred your directors do not recommend dividend this year.

4) OPERATIONS

Sales have increased by 40%, operating profit before interest and depreciation has increase from Rs. 390.96 lacs to Rs. 1269.32 lacs. Interest costs are high on account of high debt levels. Raw material costs have seen a sharp increase in the last quarter of 2009-10.

Your Company achieved production of 1.46 million Clutch Disc and 1.32 million Clutch Covers in 2009-10. Production of One Way Clutches was 1.02 million.

The passenger vehicle segment grew by 27% y-o-y. The Commercial vehicle segment had a 22% increase in sales. The LCV segment saw the best performance in the automotive sector with a jump of 31%. Two wheelers grew by 22%. Overall, the automotive sector showed a smart recovery from the recessionary phase.

The Sale of products during the year is as follows:

	2009-10	2008-09
CLUTCH DISC ASSLY	1438978 Nos.	10,79,710 Nos.
CLUTCH COVER ASSLY	1310770 Nos.	9,81,584 Nos.
ONE WAY CLUTCHES	1028746 Nos.	2,05,378 Nos.
KITS & COMPONENTS	Rs. 262.16	Rs. 438.72

Your Company made an operating profit of Rs. 1,269.32 lacs, during the current year as against an operating profit of Rs. 390.96 lacs for the previous year. The Sales (net of excise and inter division sales) and other income for the financial year under review was Rs. 16,152.17 lacs as against Rs. 10,702.58 lacs for the previous financial year.

The loss is at Rs. 106.54 lacs as against loss of Rs. 747.83 lacs in the previous year. Your company has been impacted by high debt on its books. However on a positive note the loss has come down substantially because of higher sales and control of expenses.

The Sales from April to June 2010-11 as compared to the same period in 2009-10 is as follows:

	2009-10 (APRIL-JUNE)	2008-09 (APRIL-JUNE)
Clutch Disc Asslys.	3,86,531 Nos.	3,04,281 Nos.
Clutch Cover Asslys.	3,44,799 Nos.	2,81,424 Nos.
One Way Clutch	3,88,665 Nos.	1,75,155 Nos.
Net Turnover (net of excise and Inter division sales)	Rs. 4,621.19 lacs	Rs. 3185.26 lacs

New Development

Various new vehicle developments took place for vehicles to be launched in 2010-11. These include the new Alto with K series engine, Toyota small car, etc.

New Business

New customers such as Honda Moter Cycle & Scooters and Suzuki Moter Cycle India Private Limited were added

Your company is in continuous discussions with various manufacturers for development of clutches for two, three and four wheelers.

Finances

Your Company is considering various options to raise funds to finance additional manufacturing capabilities for existing products as well as new products.

CEEKAY DAIKIN LIMITED

5) EXEDY CORPORATION

Exedy Corporation your Collaborators have continued their valuable support in technology transfer, training our personnel at their as well as your factory and for up-gradation in technology. The Directors would like to place on record their appreciation for continuous patronage given by them.

After completion of the Preferential Allotment & Open Offer, Exedy has been declared as promoter. They now control 69.14% of total share capital of your company. The future prospects of your company will benefit greatly with the increased involvement of Exedy.

6) BANKS AND INSTITUTIONS

The Banks have continued their assistance by giving adequate working capital facilities to the Company, which has been of immense help in the day to day cash flow. The long term lending banks have been giving their fullest support. Your Directors take this opportunity to express their appreciation for the excellent assistance and co-operation received from all the banks.

7) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the directors hereby confirm that :

1. the applicable accounting standards have been followed by the Company in preparation of the annual accounts for the year ended 31st March, 2010, along with proper explanation relating to material departures;
2. they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2010 and of the loss of the Company for the year under review;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and

detecting fraud and other irregularities; and

4. they have prepared the annual accounts on a 'going concern' basis.

8) DIRECTORS

5. Mr. Hidi hito Hisakawa has resigned as the Director of the Company on 26th November 2009. Board places on record it's deep appreciation for the services rendered by him during his tenure.
6. Mr. Akira Hirai has been appointed as Managing Director of the Company from 27th July 2010.
7. Mr. Hideshi Shiba resigned as the Managing Director of the company on 27th July 2010 and has been appointed as Whole Time Director of the Company from 27th July, 2010.
8. Mr. Mahesh B. Kothari resigned as the Managing Director of the company on 27th July 2010 and has been appointed as Director & Executive Chairman of the company from 27th July, 2010
9. Mr. Sudhir Sathe has been appointed as Additional Director on 27th July 2010.

9) PERSONNEL

Industrial relations between Management, Labour and Staff in the establishments at Aurangabad and Greater Noida have continued to be generally pleasant and harmonious during the year under review however there was labour unrest during November and December 2009 over wage dispute, which has been settled satisfactory. Your Directors wish to place on record their deep appreciation of the excellent work done and cooperation extended by the employees at all levels in achieving the assigned tasks and goals.

10) INSURANCE

All the properties including buildings, plant and machinery, stocks etc. have been adequately insured.

11) PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 ("The Act") read with the Companies

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(particular of Employees) Rules, 1975 forms part of this report. As per the provision of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Shareholders of your company excluding the statement on particulars of employee under Section 217(2A) of the Act. Any shareholders interested in obtaining a copy of said statement may write to the Secretarial Department of your company.

12) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT-GO.

The required details are furnished in Annexure to this report.

13) AUDITORS

The Company's Auditors, Messrs D. L. Shah & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment as Auditors. Specific notes forming part of the accounts referred to in the Auditors' Report are self explanatory and give the complete information.

Regarding observation of auditors for confirmation of balances of debtors, creditors, deposits and loans & advances, your company has obtained them for some of the accounts and the company is in the process of obtaining balances for the remaining accounts.

Further to their observation regarding non provision of Rs. 12.33 lacs as demanded by Provident Fund Authority, the matter is disputed and pending with Appellate Tribunal. As per requirement of the concerned authority Rs. 6.17 lacs i.e. 50% of amount is already deposited.

14) DEMATERILISATION OF SHARES

Your Company entered into an agreement with National Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), Mumbai for dematerialization of the equity shares of the Company. The members now have an option of dematerializing the shares with NSDL and CDSL. 98.27 % of the total Equity capital is held in a dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.

For and on behalf of the Board of Directors

MAHESH. B. KOTHARI
Executive Chairman

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai,
Dated : 27th July, 2010

CEEKAY DAIKIN LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification, 1029 of 31.12.1988 issued by the Department of Company Affairs)

DISCLOSURES

A. CONSERVATION OF ENERGY

The Company continues its sustained efforts on conservation of energy. The new equipments that have been installed under the expansion and modernisation programme have been selected with a view to optimise energy consumption, the benefits of which will be available in the coming years.

B. TECHNOLOGY ABSORPTION

- (1) The Company has fully absorbed the technology for the manufacture of several types of Clutch Disc, Cover Assemblies and One way Clutch.
- (2) The Company has imported the technology for manufacture of Diaphragm Springs during the

last several years. The Company continues to receive assistance from the Collaborators, M/s. Exedy Corporation, Japan, for development of new products, improvement in manufacturing process and quality assurance.

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO

This information is contained in Note No. 5(d) (e) (f) of the Annual Report.

D. POWER CONSUMPTION

	2009-10	2008-09
Aurangabad	30,71,390 Units	31,29,539 Units
Noida	26,70,560 Units	17,63,849 Units

For and on behalf of the Board of Directors

MAHESH B. KOTHARI
Executive Chairman

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai,
Dated : 27th July, 2010

REPORT ON CORPORATE GOVERNANCE
ANNEXURE TO DIRECTORS REPORT

I. PHILOSOPHY OF CORPORATE GOVERNANCE:

The Company firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

II. BOARD OF DIRECTORS:**Composition :-**

The Board of Directors consist of three Managing Directors and three Non-executive Independent Directors.

During the year 7 Board meetings were held on:

- | | | | |
|-----------------|------------------|-----------------|-------------------|
| (i) 29.04.2009 | (iii) 26.08.2009 | (v) 29.10.2009 | (vii) 18.01.02010 |
| (ii) 24.07.2009 | (iv) 25.09.2009 | (vi) 14.12.2009 | |

The composition of the Board of Directors and their attendance at the meetings during the year and the last Annual General Meeting as also number of other directorships / memberships of committees of each of the directors as on 31st March, 2010 are as follows:

Name of Director	Category	No. of Board meetings attended	Attendance of last AGM	No. of other director ships	No. of other Committee membership
Mahesh B. Kothari	Managing Director	6	Yes	2	-
Homi C.H. Bhabha	Non Executive Director	6	No	8	4
Shreekant V. Mehta	Non Executive Director	2	No	3	-
Bharat H. Patel	Non Executive Director	7	Yes	12	1
Hidehito Hisakawa	Non Executive Director	--	No	2	-
Pradeep B. Chinai	Managing Director	7	Yes	4	3
Hideshi Shiba	Managing Director	7	Yes	-	-

Note :-

1. Mr. Sudhir Sathe has been Appointed as Additional Director on 27th July, 2010
2. Mr. Akira Hirai has been Appointed as Managing Director on 27th July, 2010
3. Mr. Hidehito Hisakawa has resigned as Director on 26th November, 2009

CEEKAY DAIKIN LIMITED

4. Mr. Mahesh B. Kothari has resigned as Managing Director on 27th July, 2010
5. Mr. Mahesh B. Kothari has been appointed as Director & Executive Chairman of the Company on 27th July, 2010.
6. Mr. Hideshi Shiba has resigned as Managing Director on 27th July, 2010
7. Mr. Hideshi Shiba has been appointed as Whole Time Director of the Company on 27th July, 2010

Details of Directors who have been appointed by the Board for the first time and those seeking appointment/re-appointment as required under Clause 49 VI(A) of the Listing Agreement entered into with the Stock Exchange :

Mr. Akira Hirai

Mr. Akira Hirai is Graduate from "University of Osaka Prefecture" in Metallurgical Engineering and has wide experience in implementing and operation of Auto ancillary plant and he is Managing Director of your Company.

Mr. Mahesh B. Kothari

Mr. Mahesh B. Kothari is B.S. Mech. Engineer from Wayne State University, Detroit USA and possesses vast experience of above 43 years in Automotive part industries and he is Executive Chairman of your company . He is also Chairman of Transfer Committee.

Mr. Hideshi Shiba

Mr. Hideshi Shiba is B.A in Management from Konan University, Kobe, Japan has a vast experience of above 16 years in Automotive part industries and he is Whole Time Director of the company.

Mr. Sudhir Sathe

Mr. Sudhir Sathe is M.A in Sociology and also possess degree of Diploma in Social Science & Administration from Tata Institute of Social Science.

Mr. Bharat Patel

Mr. Bharat Patel, Non executive Independent Director acquired his professional education from the London college of printing and has been conferred Fellowship of the Indian Institute of packaging recognition of his contribution to the Industry. He is the founder of Multi Pack systems Pvt. Ltd. a leading packaging machinery manufacturers. He is also a member of the Audit Committee as well as the remuneration Committee of the company.

III. AUDIT COMMITTEE:

Your Company has an independent audit committee. The composition, procedures, powers and role/ functions of the audit committee constituted by the Company comply with requirements of the Companies Act, 1956 as well as those of Clause 49 of the listing agreement.

The brief description of the terms of reference of Audit Committee are :

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Reviewing with the management the quarterly, half-yearly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and stock exchange and legal requirements concerning financial statements.

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- Reviewing adequacy of internal control systems and the internal audit function and ensure compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.

The composition of the Audit Committee is as follows:

	Name of Director		Category of Director	No. of Meeting attended
1.	Bharat H. Patel	Chairman	Non Executive Director	5
2.	Homi C.H. Bhabha	Member	Non Executive Director	4
3.	Shreekant V. Mehta	Member	Non Executive Director	2

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings. The Managing Directors of the Company attended all the meetings by invitation.

IV. REMUNERATION COMMITTEE:

A Remuneration Committee under the provisions of Schedule XIII to the Companies Act, 1956, has been constituted on 19th April, 2005 with Mr. Homi C. H. Bhabha as Chairman and Mr. Bharat H. Patel and Mr. Shreekant V. Mehta as members. All matters relating to review and approval of compensation payable to the Managing Directors and Non-Executive Directors are considered by the Board within the overall limits approved by the members.

The elements of remuneration include Basic Salary, Allowances, Perquisites and Retirement Benefits (all fixed) and Commission as a percentage of profits of the Company (variable).

Sitting fee of Rs.1,000/- to each Director per meeting of the Board / Audit Committee / Remuneration Committee is paid to the Non-Executive Directors apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. No other remuneration is paid to the Non-Executive Directors.

The Composition of the Remuneration Committee details are as follows :

	Name of Director		Category of Director	No. of Meeting attended
1.	Homi C.H. Bhabha	Chairman	Non Executive Director	1
2.	Bharat H. Patel	Member	Non Executive Director	1
3.	Shreekant V. Mehta	Member	Non Executive Director	1

Remuneration to non-executive Directors :

The details of remuneration paid to non-executive Directors during the year 2009-10 are given below:-

Sr. No.	Name of Director	Sitting fees	Commission	Total
1.	Homi C.H. Bhabha	11,000	Nil	11,000
2.	Shreekant V. Mehta	5,000	Nil	5,000
3.	Bharat H. Patel	13,000	Nil	13,000

CEEKAY DAIKIN LIMITED

Remuneration to Executive Directors

Managing Directors:

Details of remuneration of Managing Directors for the year ended 31st March, 2010 is as follows :

Sr. No.	Name of Director	Sitting fees	Gross Remuneration*	Commission	Stock Option (No. of Shares)	Total
1.	Mr. Mahesh B. Kothari	NIL	43,30,639	NIL	NIL	43,30,639
2.	Mr. Pradeep B. Chinai	NIL	43,29,990	NIL	NIL	43,29,990
3.	Mr. Hideshi Shiba	NIL	33,27,989	NIL	NIL	33,27,989

* Gross Remuneration includes Salary, Contributions to Provident and Other Perquisites.

V. SHAREHOLDERS' GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Company's "Shareholders Grievance and Share Transfer Committee" functions under the Chairmanship of Mr. Mahesh B. Kothari, Chairman of the Board and a Managing Director.

The Committee meets at regular intervals to deal with matters relating to transfer/transmission of shares, and monitors redressal of complaints from shareholders relating to delay in transfers, non-receipt of shares, balance-sheet, dividend etc. With a view to expediting the process of share transfers, the committee is authorised to approve of transfers/transmissions of shares and report to the Board significant transfers resulting in shareholdings of 10,000 and above. The Committee now comprises of Mr. Mahesh B. Kothari, Mr. Pradeep B. Chinai and Mr Hideshi Shiba.

The Committee held 4 meetings during the year 2009-10. The attendance of these meetings was as under :

	Name of Director		Category of Director	No. of Meetings attended
1.	Mr. Mahesh B. Kothari	Chairman	Managing Director	4
2.	Mr. Pradeep B. Chinai	Member	Managing Director	4
3.	Mr. Hideshi Shiba	Mamber	Managing Director	1

VI. GENERAL BODY MEETINGS OF LAST 4 YEARS.

Year	Venue	Day & Date	Time
2006 AGM	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Saturday 16.09.2006	11.30 a.m.
2007 AGM	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Saturday 29.09.2007	11.30 a.m.
2008 AGM	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Thursday 18.09.2008	11.30 a.m.
2009 AGM	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Friday 25.09.2009	11.30 a.m.

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VI. EXTRA ORDINARY GENERAL MEETING

Year	Venue	Day & Date	Time
2009-2010	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Saturday 13.01.2010	2.00 p.m.

Note: No Postal ballots were used / invited for voting at these meetings in respect of special resolutions passed as there were no such provisions in the Companies Act, 1956.

VII. DISCLOSURES:

There are no materially significant related party transactions which had potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and interested Directors neither participate in the discussion, nor do they vote on such matters.

VIII. COMPLIANCES:

The Company has complied with all the requirements of the Listing Agreements with the Stock Exchange as well as regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchange or any statutory authorities on any matter relating to capital markets during the last three years.

IX. MEANS OF COMMUNICATION.

The Company has published its quarterly results in Free Press Journal (English) and Nav Shakti (Marathi – Vernacular), Mumbai and Lokmat Times (English), Ekmat Times (Marathi – Vernacular) Aurangabad

X. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

The Thirty Sixth Annual General Meeting of the shareholders will be held on Tuesday, 31st August, 2010 at 11.30 a.m.

Venue	:	Plot L-4 MIDC Industrial Area, Chikalthana, CIDCO P.O., Aurangabad - 431 210.
Agenda	:	Ordinary Business - Adoption of accounts, Appointments of Directors retiring by rotation and appointment of auditors
Special Business	:	Appointment of Director and Executive Chairman Appointment of a Branch Auditor, Appointment of Managing Directors, Appointment of Whole Time Director, Appointment of Additional Director, Change of Name of the Company and alteration in memorandum & Article of Association
Company's financial year	:	1st April, 2009 to 31st March, 2010
Book Closure	:	The Company's register of Members and share transfer books will remain closed from 24th August, 2010 to 31st August, 2010 (both days inclusive).

CEEKAY DAIKIN LIMITED

Listing of Equity Shares : The Bombay Stock Exchange Limited, (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 023.

Annual listing fee for the year 2009-2010 has been paid to
the Stock Exchange (BSE)

Stock Code - 505923
Demat ISIN number in : Equity shares
NSDL&CDSL : INE 773401014

Stock Market Data (BSE)

Period	High	Low
April 2009	22.75	17.80
May 2009	32.85	19.75
June 2009	43.70	25.85
July 2009	61.50	26.10
August 2009	119.60	60.50
September 2009	82.85	60.20
October 2009	80.70	48.55
November 2009	62.50	50.10
December 2009	80.70	48.55
January 2010	122.40	84.70
February 2010	172.00	128.50
March 2010	175.00	165.00

Name and address of the Registrars and Transfer Agents

Link Intime Spectrum Registry Pvt. Ltd.
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai — 400 078.

Transfer System:

The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Transfer of shares held in physical form are processed by Link Intime Spectrum Registry Pvt. Ltd. and approved by the Share Transfer Committee. Transfer of shares is effected and share certificates are despatched within a period of 30 days from the date of receipt, if the relevant documents are complete in all respects. The Company extends the facility of simultaneous transfer and dematerialization of shares to the shareholders.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange, certificates on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories & Participants) Regulations 1996 certificates have also been received from a Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on quarterly basis for reconciliation of the share capital of the Company.

36TH ANNUAL REPORT 2009-2010**Distribution of Shareholding as on 31st March 2010**

Range of ordinary shares	No. of Shareholders	% of No. of Shareholders	Amount Rs.	% to Equity
1 to 500	1368	86.47	18,42,730	3.07
501 to 1000	97	6.13	7,62,200	1.27
1001 to 2000	52	3.29	7,60,470	1.27
2001 to 3000	15	0.95	3,67,400	0.61
3001 to 4000	13	0.82	4,57,510	0.76
4001 to 5000	5	0.32	2,35,610	0.39
5001 to 10000	9	0.57	7,22,180	1.20
10000 to above	23	1.45	5,49,18,860	91.43
	1582	100.00	6,00,66,960	100.0

Shareholding Pattern as on 31st March, 2010

Particulars	No. of Shares held	% to total
Foreign Collaborators	30,14,763	50.19
F.I.I. & O.C.B.	21,574	0.36
Mutual Funds	49,877	0.83
Domestic Companies	9,38,616	15.64
Directors & Relatives	14,89,925	24.80
Non-Resident Indians	1,539	0.02
Individual	4,87,527	8.12
HUF and Trust	2,875	0.04
	6,006,696	100.0

Dematerialization of shares

The Company has entered into agreements with NSDL & CDSL for dematerialization of shares. As on 31st March 2010 a total of 59,02,423 shares of the Company which form 98.26% of the share capital of the Company stands dematerialized.

Plant Locations:

- | | |
|--|---|
| 1) Plot L-4 MIDC Industrial Area,
CIDCO P.O., Chikalthana,
Aurangabad - 431 210.
Tel. No.: 0240-2483341/2484014 | 2) Plot No.9, Udyog Kendra Industrial Area
Greater Noida - 201304 (U.P.)
Tel. No.: 0120-2350280 / 81 / 86 |
|--|---|

Address for Correspondence

Ceekay Daikin Limited
NKM International House, 4th floor,
178 Babubhai M. Chinai Marg, Mumbai - 400 020

CEEKAY DAIKIN LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY DEVELOPMENTS

The passenger vehicle segment grew by 27% y-o-y . The commercial vehicles segment had a 22% increase in sales. The LCV segment saw the best performance in the automotive sector with jump of 31% as compare to last year. The two-wheeler segment showed a growth of 22%. Overall, the automotive sector showed a smart recovery from the recessionary phase.

OPPORTUNITIES

1. Two-wheeler manufacturers look upon your company positively as a potential supplier for their new models.
2. New businesses with existing customers will improve sales turnover and profitability. New model launches by existing customers will add to the sales and profitability of the company.
3. The industry has showed smart recovery from the recessionary phase and most industry watchers predict this recovery to continue.

STRENGTHS

1. A dedicated and motivated work force with invaluable experience.
2. Up-to-date technology from M/s Exedy Corporation, Japan for two, three and four wheeler clutches.
4. Strong customer base across various vehicle classes. Support from all customers for existing and new business continues to be positive.
5. Vertical manufacturing process where all key components are manufactured in-house. This enables us to maintain our reputation of being high quality producer of clutches.

WEAKNESSES

1. High cost of borrowing
2. Your company is not immune to increases in input costs.

THREATS:

1. Cost of steel increasing at frequent intervals.
2. The recovery in the Indian economy has been seen in last four months and continuity of the same trend will depend on several factors.
3. Imports form a big share of total input costs. Any further depreciation in the rupee will affect margins.

OUTLOOK:

With the Indian economy recovering quickly from the slowdown, demand conditions for the short to medium term are expected to remain strong. The pressure on raw material prices could continue. Simultaneously, cost leadership measures to reduce operating costs through leveraging synergies and improved efficiency measures like supply chain management and connectivity with all our suppliers and distributors is an ongoing initiative. New product developments with existing customers will be the key focus of your Company. Developing new customers for one way clutches will be the thrust area.

INTERNAL CONTROL SYSTEM

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company assets. Your Company has engaged the services of independent agencies to carry out internal audit at both its locations. The Audit Committee of the Board reviews the reports and counter measures proposed by the operating management through interaction with the management personnel as well as the Internal and Statutory Auditors. This not only ensures the reliability of control systems and compliance with laws and regulations, but also covers resources utilization and system efficiency.

QUALITY

Your Company continues to take quality improvement measures for the entire range of its products and services with an objective to meet the customers' requirement and satisfaction. The Company has obtained TS-16949 certification at both the units and Greater Noida facility has also received ISO 14001 and OHSAS-18001 certification.

The Company has well-equipped Quality Assurance and Quality Control laboratories at both the locations. The laboratories are equipped with State-of-the-Art instruments of international standards to meet in-house testing requirements for quality control on raw materials, intermediates and finished products and investigating customer complaints. These laboratories follow the most advanced trends in investigation and analysis and provide reliable services to meet the customer needs.

CAUTIONARY STATEMENT

The information and opinion expressed in this Report may contain certain forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results might differ from those anticipated because of changing ground realities, government policies, economic & political developments, market conditions etc. The management shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Prior written permission of the Company should be obtained for furnishing this information to any person.

For and on behalf of the Board of Directors

MAHESH B. KOTHARI
Executive Chairman

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai,
Dated : 27th July, 2010

CEEKAY DAIKIN LIMITED

DECLARATION BY THE EXECUTIVE CHAIRMAN UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members of Ceekay Daikin Limited

I, Mahesh B. Kothari, Executive Chairman of Ceekay Daikin Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

MAHESH B. KOTHARI
Executive Chairman

Registered Office :
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai, 27th July, 2010

COMPLIANCE CERTIFICATE

To the Members of
CEEKAY DAIKIN LIMITED

We have examined the Compliance of conditions of Corporate Governance by Ceekay Daikin Limited, for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of condition of Corporate Governance is responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to explanation given to us, we certify that the Company has complied with the condition of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
D. L. SHAH & COMPANY
Regn. No. 109542W
Chartered Accountants

DINESH L. SHAH
Proprietor
Membership No. 3784

Mumbai, 27th July, 2010

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AUDITOR'S REPORT

To

TO THE SHAREHOLDERS OF MESSRS. CEEKAY DAIKIN LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

We have audited the attached Balance Sheet of Messrs. CEEKAY DAIKIN LIMITED as at 31st March, 2010, the annexed Profit and Loss Account for the year ended on that date, and also Cash Flow Statement for the year ended on that date, wherein are incorporated the accounts and thereon of Greater Noida division of the Company audited by another firm of auditors. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that :

Note No. 7 : relates to non confirmation of balances of debtors, creditors, deposits and loans & advances

Note No. 9 (e) : relates to non provision of liability in respect of provident fund .

Subject to the above :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
- (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
- (iv) In our opinion the Balance Sheet, the Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- (v) The reports on the account of the Greater Noida Plant referred to above, audited by the other auditors, have been forwarded to us and same have been considered by us in our report.
- (vi) Based on the representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the Directors is, as at 31st March, 2010 prima-facie disqualified from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in

CEEKAY DAIKIN LIMITED

- conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - b) in the case of the Profit and Loss Account , of the Loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
D. L. SHAH & COMPANY
Regn. No. 109542W
Chartered Accountants

DINESH L. SHAH
Proprietor
Membership No. 3784

Mumbai, 27th July, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010 OF MESSRS CEEKAY DAIKIN LIMITED

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that :-

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practise of the Company are physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no discrepancies have been noticed on such physical verification as compared to the books of account.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern;
- ii) (a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have however, been confirmed by them.
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account.
- iii) In our opinion, the Company has taken unsecured loans, from firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956, (the Act).
- (a) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (c) There is no overdue amount of loans taken from firms or other parties listed in the register maintained under Section 301 of the Companies Act. 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and for sale of goods. During the course of our previous assessment, no major weakness in internal control had come to our notice.

CEEKAY DAIKIN LIMITED

- v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956. have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- vi) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firms of Chartered Accountants appointed by the management, is commensurate with the size of the Company and the nature of its business.
- vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determine whether they are accurate.
- viii) (a) According to the records of the Company, it has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax Cess and other Statutory Dues with the appropriate Authorities.
- (b) On the basis of our examination of the documents and records, the disputed statutory dues which have not been deposited with the appropriate authorities are as under :
- | Nature of the Dues | Rs. in Lacs | Forum where dispute is pending |
|---------------------------|--------------------|---|
| Sales Tax | 249.43 | High Court |
| | 17.94 | Sales Tax Tribunal (*) |
| | 132.75 | Sales Tax Tribunal / The Jt. Commissioner of Sales Tax (Appeal) |
| Provident Fund | 6.17 | Appellate Tribunal |
| Income Tax | 49.51 | Commissioner of Income Tax |
- (*) against the above said demand of 17.94 lacs, the Company has furnished bank guarantee to sales tax authorities.
- ix) The Company has no accumulated losses at the end of the financial year and incurred cash profit during the financial year covered by our report and earned cash loss for the immediately preceding financial year.
- x) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debentures holders.

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- xi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- xii) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.
- xiii) Looking to the nature of activities being carried on, at present, by the Company and also considering the nature of the matters referred to in various clauses of the Companies (Auditor's Report) Order, 2003, Clauses (vi), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

For and on behalf of
D. L. SHAH & COMPANY
Regn. No. 109542W
Chartered Accountants

DINESH L. SHAH
Proprietor
Membership No. 3784

Mumbai, 27th July, 2010

CEEKAY DAIKIN LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
1. SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
Share capital	1	600.67	403.15
Reserves & Surplus	2	<u>1,656.39</u>	<u>735.83</u>
		2,257.06	1,138.98
LOAN FUNDS :			
Secured Loans	3	2,952.62	3,333.36
Unsecured Loans	4	<u>3,282.28</u>	<u>3,544.09</u>
		6,234.90	6,877.45
		8,491.96	8,016.43
2. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	5	11,785.25	11,316.04
Less : Depreciation		<u>6,019.50</u>	<u>5,313.26</u>
Net Block		5,765.75	6,002.78
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	6	2,846.27	2,868.90
Sundry Debtors	7	2,528.17	1,977.29
Cash & Bank Balances	8	904.89	69.61
Loans & Advances	9	<u>1,563.30</u>	<u>1,202.34</u>
		7,842.63	6,118.14
LESS :			
CURRENT LIABILITIES & PROVISIONS	10	<u>5,108.85</u>	<u>4,096.92</u>
NET CURRENT ASSETS		2,733.78	2,021.22
NET DEFERRED TAX ASSETS / (LIABILITIES)		(7.57)	(7.57)
MISCELLANEOUS EXPENDITURE (To the extent not written off or Adjusted)	11	<u>-</u>	<u>-</u>
		8,491.96	8,016.43
As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI MANAGING DIRECTOR	PRADEEP B. CHINAI MANAGING DIRECTOR	
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 27th July, 2010	HETAY VORA COMPANY SECRETARY	HIDESHI SHIBA MANAGING DIRECTOR	

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	31st March 2010 (Rs.in lacs)	31st March 2009 (Rs. in lacs)
1. INCOME			
Sale of products		18,886.84	13,921.79
Less : Inter division transfer		2,098.09	2,023.06
		16,788.75	11,898.73
Less : Excise Duty		1,434.13	1,510.56
		15,354.62	10,388.17
Other Income	12	797.55	314.41
		16,152.17	10,702.58
2. EXPENSES			
Manufacturing & other expenses	13 & 14	14,882.85	10,311.62
3. INTEREST	15	643.65	540.93
4. TOTAL EXPENDITURE (2+3)		15,526.50	10,852.55
5. PROFIT/(LOSS) BEFORE DEPRECIATION (1-4)		625.67	(149.97)
6. DEPRECIATION	5	732.00	580.87
7. PROFIT/(LOSS) BEFORE TAX		(106.33)	(730.84)
8. PROVISION FOR TAX			
a) Deferred tax		-	-
b) Current tax		-	-
c) Fringe Benefit Tax		-	16.25
d) Income Tax in respect of earlier years		0.21	0.74
9. PROFIT/(LOSS) AFTER TAX		(106.54)	(747.83)
10. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		397.36	1,145.19
BALANCE CARRIED TO THE BALANCE SHEET		290.82	397.36
As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.			
		MAHESH B. KOTHARI MANAGING DIRECTOR	PRADEEP B. CHINAI MANAGING DIRECTOR
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 27th July, 2010		HETAY VORA COMPANY SECRETARY	HIDESHI SHIBA MANAGING DIRECTOR

CEEKAY DAIKIN LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 1		
SHARE CAPITAL :		
AUTHORISED		
90,00,000 Equity Shares of Rs. 10/- each (Previous Year 90,00,000 Equity Shares of Rs. 10/- each)	900.00	900.00
1,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each	100.00	100.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued, Subscribed & Paid-up :		
60,06,696 Equity Shares of Rs. 10/- each (Previous Year 40,31,496 Equity Shares of 10/- each)	600.67	403.15
Out of this 5,31,496 Equity Shares of Rs. 10/- each have been allotted to erstwhile shareholders of Exedy Ceekay Ltd. pursuant to the scheme of amalgamation sanctioned by the High Court of Judicature, Mumbai.	<u>600.67</u>	<u>403.15</u>
SCHEDULE - 2		
RESERVES & SURPLUS :		
a) Capital Reserve		
1) 10 Percent outright Central Cash Subsidy for Industrial Units set up in backward region	15.00	15.00
2) Amalgamation Reserve : Arising on account of Amalgamation	74.41	74.41
	<u>89.41</u>	<u>89.41</u>
b) General Reserve As per last Balance Sheet	249.06	249.06
	<u>249.06</u>	<u>249.06</u>
c) Share Premium Account		
Opening Balance	--	--
Add : Addition During the year	1,027.10	--
	<u>1,027.10</u>	<u>--</u>
	<u>1,027.10</u>	<u>--</u>
d) Profit & Loss Account	290.82	397.36
	<u>290.82</u>	<u>397.36</u>
	<u>1,656.39</u>	<u>735.83</u>

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 3		
SECURED LOANS :		
1. Term Loan from ICICI Bank Ltd.	268.13	391.88
2. Term Loan from Bank of Maharashtra	103.14	143.22
3. Term Loan from ICICI Bank Ltd., CITI Corp. Ltd. & MSI Ltd.	21.45	24.76
<p>Note : Term Loans from ICICI Bank & Bank of Maharashtra are secured / to be secured on pari passu basis by joint equitable mortgage and charge over immovable assets, both present and future, hypothecation of movable assets subject to prior charge over them favouring the banks for overdraft facilities and item No. 2 are also personally guaranteed by Promoter Managing Directors.</p>		
4. Sales Tax Deferral Loan from Pradeshiya Industrial & Investment Corporation of U. P. Ltd. secured by second charge on Company's moveable & immoveable properties situated at Greater Noida	736.03	848.25
5. Bank Overdrafts are secured by hypothecation of stocks, finished goods, stock in process, stores, packing materials, book debts, second charge on immovable assets.	1,823.87	1,925.25
	<u>2,952.62</u>	<u>3,333.36</u>
SCHEDULE - 4		
UNSECURED LOANS :		
Other loans and Advances	190.71	267.88
Loan from Citibank	2,168.00	2,168.00
Loans from Directors & Shareholders	51.30	100.00
Loan from ICICI Bank Ltd. under ECIP Scheme	11.10	11.10
<p>Sales-tax deferral loan from State Industrial & Investment Corpn. of Maharashtra Ltd. under the the package scheme of incentives for dispersal of industries</p>		
Scheme I & II	14.31	14.61
Scheme III	69.46	113.01
Scheme IV	764.57	856.66
Loan in lieu of Trade Tax	12.83	12.83
	<u>3,282.28</u>	<u>3,544.09</u>

CEEKAY DAIKIN LIMITED

SCHEDULE - 5											
FIXED ASSETS :											
Rs. in Lacs											
Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01.04.09	Additions/ (Deductions) for the year	As on 31.03.10	As on 01.04.09	For the Year	Deductions/ Transfer	As on 31.03.10	As on 31.03.10	As on 31.03.09	
1.	Leasehold Land	117.73	---	117.73	9.13	1.35	---	107.25	108.60		
2.	Factory Building	970.54	0.82	971.36	201.17	32.40	---	737.79	769.37		
3.	Plant & Machinery	5668.32	161.49	5,829.81	2772.19	330.62	---	2727.00	2896.13		
4.	Computers	154.56	5.29 (0.25)	159.60	101.19	16.07	0.20	42.54	53.37		
5.	Electrical Installations	228.67	1.52	230.19	72.09	10.66	---	147.44	156.58		
6.	Vehicles	105.40	18.90 (6.08)	118.22	28.90	14.62	3.96	78.66	76.50		
7.	Furniture & Fixture	87.07	9.91	96.98	46.61	5.44	---	44.93	40.46		
8.	Office Equipment	80.92	7.69 (3.08)	85.53	41.65	4.21	2.83	42.50	39.27		
9.	Inspection Instruments	214.22	37.68	251.90	88.03	12.41	---	151.46	126.19		
10.	Tools, Dies, Jigs & Fixtures	3125.78	293.48 (26.62)	3392.64	1952.30	304.22	18.77	1154.89	1173.48		
11.	Capital Work in Progress	562.83	3.49 (35.03)	531.29	---	---	---	531.29	562.83		
	TOTAL	11316.04	540.27 (71.06)	11785.25	5313.26	732.00	25.76	5765.75	6002.78		
	PREVIOUS YEAR	9153.45	2594.31 (431.72)	11316.04	4733.77	580.87	1.38	6002.78	4419.68		

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 6		
INVENTORIES :		
Stock at cost, market value or realisable value whichever is lower. (As certified & valued by the management)		
Finished Goods	113.62	68.40
Stock in Process	1,158.21	1,170.18
Raw Material	1,324.47	1,400.55
Stores & Spares	181.72	181.50
Scrap	30.14	13.26
Packing Materials	38.11	35.01
	<u>2,846.27</u>	<u>2,868.90</u>
SCHEDULE - 7		
SUNDRY DEBTORS :		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	408.06	388.95
Others	2,120.11	1,588.34
	<u>2,528.17</u>	<u>1,977.29</u>
SCHEDULE - 8		
CASH & BANK BALANCES :		
Cash on hand	2.49	1.03
Bank balance in current account	902.40	68.58
	<u>904.89</u>	<u>69.61</u>
SCHEDULE - 9		
LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or kind or value to be received	1,457.43	1,105.69
Sundry Deposits	105.87	96.65
	<u>1,563.30</u>	<u>1,202.34</u>

CEEKAY DAIKIN LIMITED

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors for Goods and Expenses	4,976.37	3,828.41
Provisions for Taxation	130.59	265.33
Unclaimed Dividend	1.89	3.18
	<u>5,108.85</u>	<u>4,096.92</u>
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure :		
Balance as per Last Balance Sheet	--	9.58
Add : Additions during the year	<u>--</u>	<u>--</u>
	--	9.58
Less : Written off /Adjusted during the year	<u>--</u>	<u>9.58</u>
	<u>--</u>	<u>--</u>
SCHEDULE - 12		
INCOME :		
1. Other Income	797.55	314.41
	<u>797.55</u>	<u>314.41</u>

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 13		
MANUFACTURING & OTHER EXPENSES :		
1. Material costs :		
Raw Material consumed		
Opening Stock	1,400.55	825.93
Add : Purchases	<u>9,931.46</u>	<u>7,291.70</u>
	11,332.01	8,117.63
Less : Closing Stock	<u>1,324.47</u>	<u>1,400.55</u>
	10,007.54	6,717.08
(Increase) /Decrease in stock of finished goods and work in process	<u>(50.13)</u>	<u>71.42</u>
Net raw material consumed	<u><u>9,957.41</u></u>	<u><u>6,788.50</u></u>
2. Payment to and Provision for Employees :		
a) Salaries & Wages	1,187.31	955.78
b) Contribution to Provident and other funds, and Superannuation fund	72.94	61.88
c) Staff & Labour Welfare	76.13	62.61
	<u><u>1,336.38</u></u>	<u><u>1,080.27</u></u>
3. Operation & Other Expenses :		
a) Stores & Spares	531.36	285.12
b) Power & Water	437.29	299.83
c) Repairs to Machinery	173.20	85.43
d) Repairs to Building & Others	27.46	13.21
e) Rent, Rates and Taxes	56.12	15.89
f) Insurance Charges	28.36	20.89
g) Royalty	178.17	131.23
h) Auditors Remuneration	5.40	4.88
i) Sales Tax	529.51	374.42
j) Establishment & Other Expenses (refer schedule 14)	1,620.40	1,210.34
k) Reserach & Development	1.79	1.61
	<u><u>3,589.06</u></u>	<u><u>2,442.85</u></u>
TOTAL (1 + 2 + 3)	<u><u>14,882.85</u></u>	<u><u>10,311.62</u></u>

CEEKAY DAIKIN LIMITED

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
(Increase) / Decrease in stock		
Closing Stock :		
Semi Finished goods	1,158.21	1,170.18
Finished goods	113.62	68.40
Scrap	30.14	13.26
	<u>1,301.97</u>	<u>1,251.84</u>
Opening Stock :		
Semi Finished goods	1,170.18	1,243.84
Finished goods	68.40	66.21
Scrap	13.26	13.21
	<u>1,251.84</u>	<u>1,323.26</u>
(Increase)/Decrease in Stock of Finished Goods & Work in Process	<u>(50.13)</u>	<u>71.42</u>
SCHEDULE - 14		
ESTABLISHMENT & OTHER EXPENSES :		
Packing Materials	173.31	131.71
Printing & Stationary	13.48	12.56
Postage & Telephone	26.49	21.13
Travelling & Conveyance	170.63	150.80
Selling Expenses	189.71	157.80
Motor Car Expenses	22.33	20.51
Advertisement Expenses	1.67	1.32
Sundry Expenses	554.10	333.87
Director's Sitting Fees	0.29	0.23
Director's Remuneration & Benefits	108.86	96.80
Legal & Professional Charges	38.06	27.92
Freight & Forwarding	196.61	122.65
Octroi	124.86	123.46
Deferred Revenue Expenditure written off	-	9.58
	<u>1,620.40</u>	<u>1,210.34</u>

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
SCHEDULE - 15		
INTEREST & FINANCIAL EXPENSES :		
Interest To Banks - Working Capital	260.46	279.04
To Others	24.30	21.82
To Financial Institutions & Banks - Term loan	331.12	218.20
Financial Expenses	<u>27.77</u>	<u>21.87</u>
	<u>643.65</u>	<u>540.93</u>
<p>As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.</p> <p>DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 27th July, 2010</p>		
<p>MAHESH B. KOTHARI MANAGING DIRECTOR</p> <p>HETAY VORA COMPANY SECRETARY</p> <p>PRADEEP B. CHINAI MANAGING DIRECTOR</p> <p>HIDESHI SHIBA MANAGING DIRECTOR</p>		

CEEKAY DAIKIN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Pursuant to the listing agreement with Stock Exchange)

	(Rs.in lacs)			
	2009-10		2008-09	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(106.33)		(730.84)
Adjustment for :				
Depreciation (Net)	732.00		580.87	
Interest	615.89		519.06	
Foreign Exchange fluctuation (Net)	<u>(172.97)</u>	<u>1,174.92</u>	<u>177.17</u>	<u>1,277.10</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,068.59		546.26
Adjustment for :				
Trade and Other receivables	(908.08)		(349.27)	
Inventories	22.64		(503.21)	
Trade Payable	1,012.93		1967.08	
(Profit) / Loss on Sale of Fixed Assets	1.04		0.34	
Increase / Decrease in Misc. Expenses			<u>9.57</u>	
		<u>128.53</u>		<u>1,124.51</u>
		1,197.12		<u>1,670.77</u>
CASH GENERATED FROM OPERATIONS				
Interest paid	(616.89)		(517.19)	
Direct Tax paid	(3.96)		(35.79)	
		<u>(620.85)</u>		<u>(552.98)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		576.27		1117.79
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(540.27)		(2162.59)	
Sale of Fixed Assets	<u>44.25</u>	<u>(496.02)</u>	<u>1.38</u>	<u>(2161.21)</u>
		80.25		(1043.42)

	(Rs.in lacs)	
	2009-10	2008-09
	80.25	(1043.42)
C. CASH FLOW FROM FINANCE ACTIVITES :		
Increase in Share Capital & Share Premium	1224.62	-
Total proceed from borrowings / Repayment of loans	(642.56)	1260.36
Dividend paid	-	(60.47)
Foreign Exchange fluctuation (Net)	172.97	(177.17)
NET CASH USED IN FINANCING ACTIVITIES	835.28	(20.70)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2009	69.61	90.31
CASH AND CASH EQUIVALENTS AS AT 31.03.2010	904.89	69.61
As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI MANAGING DIRECTOR	PRADEEP B. CHINAI MANAGING DIRECTOR
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 27th July, 2010	HETAY VORA COMPANY SECRETARY	HIDESHI SHIBA MANAGING DIRECTOR

CEEKAY DAIKIN LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. FIXED ASSETS :

The Gross block of fixed assets is stated at cost of acquisition or construction including any attributable cost of bringing the asset to its working condition for its intended use.

2. DEPRECIATION :

The Company has provided depreciation on the following basis :

- a) On all the assets except Press Tools, depreciation has been provided on Straight Line Method as per the rates laid down in Schedule XIV to the Companies Act, 1956.
- b) For the Press Tools, the Company has provided depreciation on the basis of estimated life of tools i. e. at 15% on Straight Line Method.
- c) The value of leasehold land is amortised over the residual period of the lease.

3. INVENTORIES :

Items of inventory are valued on the basis given below :

- a) STORES AND SPARES : At Cost
- b) RAW MATERIALS : Raw Materials are valued at cost or market value whichever is lower. Cost is determined on a first in first out (FIFO) basis.
- c) STOCK IN PROCEES : At cost.
- d) FINISHED STOCKS : At cost or market value, whichever is lower and scrap at market value and includes excise duty there on.
- e) Self generated scrap and non-reusable waste are valued at net realisable value.

Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Cost formula used is either "First In First Out (FIFO)", or "Specific Identification", or Average Cost", as applicable

4. EMPLOYEES BENEFITS :

Short Term Employee Benefits

Short Term Employee Benefits are recognised in the period during which the services have been rendered.

Long Term Employee Benefits

- a) Provident Fund, Family pension fund & Employees' State Insurance Scheme

As per the Provident Fund Act, 1952 all employees of the company are entitled to receive benefits under the provident fund and family pension fund which is defined contribution plan. These contribution are made to the fund administrated and managed by the Government of India. In addition, some employees of the company are covered under Employees' State Insurance Scheme Act, 1948, which are also defined contribution schemes recognised and administrated by Government of India.

The Company's contribution to these schemes are recognised as expense in profit and loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

- b) Superannuation Plan :

Some employees of the Company are entitled to superannuation, a defined contribution plan which is administrated through Life Insurance Corporation of India (LIC). Superannuation benefits are recognised in the Profit & Loss account.

- c) Leave Encashment :

The company has provided for the liability at the year end on account of unavailed earned leave as per the actuarial valuation.

- d) Gratuity :

The Company provides for gratuity obligations through a Defined benefits Retirement plan (The Gratuity Plan) covering all employees. The present value of the obligation under such

defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognises each period of service as giving rise to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the marked yields on Government Securities as at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account as and when determined.

The Company makes annual contributions to LIC for the gratuity plan in respect of all employees.

5. ACCOUNTING OF CENVAT CREDIT :

Modvat credit is accounted on the basis of raw materials and capital goods purchased.

6. FOREIGN CURRENCY TRANSACTIONS :

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected.

7. RESEARCH AND DEVELOPMENT :

Revenue expenditure on research and development is charged to profit and loss account in the year in which it is incurred.

8. REVENUE RECOGNITION :

Revenue/Income and Cost/Expenditure are generally accounted on accrual basis as and when they are earned or incurred, except in case of significant uncertainties.

9. CONTINGENT LIABILITIES :

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

10. BORROWING COST :

Borrowing Costs incurred in relation to the acquisition, construction of assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expenses in the year in which these are incurred.

11. EXPENDITURE ON TOOLS, DIES, JIGS AND FIXTURES

In respect of Tools, Dies etc. which has been fully depreciated under the Companies Act, but found by the Company that the same are having usage value and accordingly the expenditure incurred in reconditioning of such tools & dies are capitalised.

12. DEFERRED REVENUE EXPENDITURE/ MISCELLANEOUS EXPENDITURE :

Expenses incurred during the initial period for promotion of new products are written off over a period of next ten years. The technical know how fees paid by Greater Noida plant, is amortised in four equal installments from the date it becomes payable.

13. TAXATION :

Income Tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing difference are recognised, only to the extent there is reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred Tax assets are reviewed to reassure realisation.

14. SALES :

Sales include inter-divisional transfers, excise duty, sales tax and are adjusted for discounts (net).

Interdivisional transfer are valued, either at Works/ Factory costs of transferor unit/division, plus transport and other charges.

CEEKAY DAIKIN LIMITED

NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	365.17	320.26
2. Contingent liabilities not provided for:		
a) In respect of guarantees given by banks and letter of credit opened by banks	114.31	143.80
b) Interest (if any) payable in respect of amount of sales tax to be decided under Deferral Package Scheme of Incentives, 1993, of Maharashtra Government, amount indeterminate. [See note No. 9 (a) and 9 (b)]		
c) Claim against the Company not acknowledged as debts [See Note No. 9 (d)]		
d) In respect of provident fund [see note No. 9 (e)]		
3. Sale of products includes :		
On manufacturing activity		
Central Excise	1582.63	1713.20
Sales Tax	691.73	510.19
4. Payment to auditors : (H.O. & Plants)		
Audit Fees	2.53	2.55
Tax Audit Fees & Taxation matters	1.86	2.09
Certification & Others	1.01	0.24
	<u>5.40</u>	<u>4.88</u>
Additional information pursuant to the provisions of the paragraphs 3 & 4 in Part II of the Schedule VI to the Companies Act, 1956.		
5. (a) (i) Managerial Remuneration		
a) To Wholetime Directors :		
Salary	67.25	58.50
Contribution to P.F., Gratuity, Superannuation fund and Perquisites	52.64	48.05
	<u>119.89</u>	<u>106.55</u>
b) Sitting fees (Non whole time Directors)	<u>0.29</u>	<u>0.23</u>

b. (i) Raw Materials Consumed :

	Unit	2009-10		2008-09	
		Quantity (^{'000})	Value Rs. in lacs	Quantity (^{'000})	Value Rs. in lacs
1) Steel Sheets & Strips	M.T.	3,094.12	1,865.37	2,774.67	1,600.60
2) Finished Components	Nos.	99,011.13	5,895.88	77,935.89	3,161.55
3) Semi Finished	Nos.	2,359.11	2,190.38	1,815.44	1,895.86
4) Oils & Chemicals			55.91		59.07
			10,007.64		6,717.08

(ii) Imported and indigenous raw material consumption :

	2009-10		2008-09	
	Amount (Rs.in lacs)	Percentage	Amount (Rs.in lacs)	Percentage
Imported	3789.18	37.86	1751.50	26.08
Indigenous	6218.36	62.14	4965.58	73.92
	10007.54	100.00	6717.08	100.00

c) Installed Capacity, Production, Stock & Turnover : (Qty in '000 Nos.)**(i) Installed capacity & Production : (Industry has been delicensed)**

Class of goods	Installed Capacity P.A.		Production Meant for sale	
	2009-10	2009-09	2009-10	2008-09
Clutch Plate assy.	2200.00	1800.00	1455.44	1074.65
Clutch Cover assy.	1800.00	1400.00	1317.07	982.94
One way Clutch	1400.00	720.00	1024.64	211.04

Note : The installed capacity is as certified by the Managing Director and accepted by the auditors.

(ii) Stock & Turnover : (Nos. in '000)

Products	Stock at commencement				Stock at Close				Turnover			
	2009-10		2008-09		2009-10		2008-09		2009-10		2008-09	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Clutch (in '000)(in Lacs)			(in '000)(in Lacs)		(in '000)(in Lacs)		(in '000)(in Lacs)		(in '000)(in Lacs)		(in '000)(in Lacs)	
Plate	5.67	29.08	10.73	47.03	22.13	62.75	5.67	29.08	1438.98	7223.09	1079.71	5278.81
Clutch Cover Assy	4.86	28.00	3.50	17.64	11.16	48.41	4.86	28.00	1310.77	6825.27	981.58	5774.66
One Way Assy.	5.67	11.16	--	--	1.56	2.46	5.66	11.16	1028.75	2478.23	205.38	406.54
Kits & Components	6.19	0.16	0.16	1.54	--	--	6.19	0.16	107.95	262.16	322.08	438.72
	68.40		66.21		113.62		68.40		16788.75		11898.73	

Class of goods based on classification given in the Industries (Development & Regulation) Act, 1951.

CEEKAY DAIKIN LIMITED

	2009-10	2008-09
	Rs. in lacs	Rs. in lacs
d) Value of imports calculated on CIF basis :		
Components & spare parts	3,487.87	1939.95
Capital Goods	114.04	317.57
e) Expenditure in foreign currencies :		
Royalty	30.68	111.36
Travelling Expenses, Books & Periodicals	86.51	42.44
Dividend	-	19.46
No. of non resident share holders and overseas corporate bodies	3	3
Number of shares held	30,37,876	12,97,350
f) Earning in Foreign Exchange :		
Calculated on F. O. B. basis	32.61	48.51
6. In the opinion of the Board, the current assets, loans and advances, are approximately of the value stated, if realised in the ordinary course of business. The provisions for depreciation and for all the known liabilities is adequate and not in excess of the amount reasonably necessary.		
7. Confirmation of balances are being obtained from Debtors, Creditors and for Deposits, loans and advances paid and received. The balances are therefore, as per books of accounts only and as such no provision for doubtful debts has been made in the accounts as the amount in respect of which is indeterminate at present.		
8 (a) Income Tax Department has issued notices under Section 148 re-opening the assessment for the assessment year 1996-97. The Company filed writ petitions before Hon'ble High Court at Bombay. The Hon'ble High Court at Bombay admitted the writ petition for the assessment year 1996-97 and granted ad interim stay against the proceedings.		
(b) Income Tax assessment of the company has been completed upto the assessment year 2007-08. The Income Tax department has raised demand for that year Rs. 49.51 lacs. The Company has preferred an appeal with the Appellate Commissioner and hearing for the same is pending.		
9. (a) The Company claimed the sales tax deferral loan for earlier years under the Package Scheme of Incentives, 1993 of the Government of Maharashtra. However, the Sales Tax Department had different opinion on the method of calculation of the deferrable amount, adopted by the Company. The total amount in dispute is Rs.249.43 Lacs till date. The Company has filed a writ petition and also obtained interim stay orders from the Hon'ble Aurangabad High Court for the year 1995-96 and 1997-98.		
(b1) The Sales Tax Department of Maharashtra has issued notices for assessment for the years 1996-97 to 2000-01. The Company has made an application to the Sales Tax Authority for keeping the said assessment in abeyance in view of pending proceeding in High Court. The said application have been accepted by the Sales Tax Department and the assessments have been kept in abeyance.		

- (b2) Sales Tax assessment for the year 2001-02 and 2004-05 are completed during the year.
- (b3) The Jt. Commissioner of Sales Tax has passed assessment order for the year ending 31.03.2003 and determined the sales tax payable at Rs. 23.27 lacs. The company has filed an appeal against the said order with Sales Tax Tribunal and the entire amount is disputed and part payment of Rs. 11.40 lacs is made.
- (b4) The Sales Tax Department has passed assessment order for the year ending 31.03.2004 and determined the sales tax payable at Rs. 4.30 lacs. The company has filed an appeal before the Jt. Commissioner of Sales Tax and disputed the entire sales tax liability.
- (c) The Greater Noida Plant has an arrangement with The Pradeshia Industrial and Investment Corporation of UP Ltd. ('PICUP') under the Deferment Benefit Scheme for the deferment of sales tax liability under the provisions of Section 4-A of the Uttar Pradesh Trade Tax Act. The Company has deposited through PICUP Rs. NIL (Previous Year Rs. 58.13 Lacs) on account of sales tax collected from customers during the period from 1st April, 2009 to 31st December, 2009 as per the benefits available under the Scheme. The amount collected till 31st December, 2008 and paid through PICUP to the Sales Tax Department is shown as 'Secured Loan' and the amount of Rs. 12.83 Lacs (previous year Rs. 12.83 lacs) collected after 1st January, 2009 is classified as an unsecured loan.
- (d) The Company has revised the Sales Tax Return both for Aurangabad and Noida plant with effect from 1st April 1999 till the date of amalgamation, in view of the amalgamation of Exedy Ceekay Limited. Hence all the sales made between two plants have now been shown as 'stock transfer' under the revised return instead of 'Central Sales' as shown earlier.
- (e) The Provident Fund Authorities have raised a demand of Rs.12.33 Lacs in respect of earlier years. The matter is pending before Appellate Tribunal and the Company has deposited Rs. 6.17 lacs as per requirement.
10. Sundry Creditors in Schedule '11' to the accounts includes Rs. 257.82 Lacs (Previous year Rs.493.88 Lacs) due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) and is based on the informations received from the suppliers. There is no liability towards interest on delayed payments.
11. The Greater Noida Plant acquired land on leasehold basis from Greater Noida Industrial Development Authority (GNIDA) on 90 years lease commencing from the date of execution of the lease deed. GNIDA has the right of possession of property on default of payment of two consecutive installments as per Clause II(c) of the agreement.
12. In view of the clarification issued by The Institute of Chartered Accountant of India, on 2nd April 2005 interdivision transfer which hitherto was considered as part of turnover and correspondingly in raw material purchases, are reduced from respective heads. Due to this changes there is no effects on the profits.
13. Related Party Information
1. Relationships :
- (1) Where significant influence exists :
M/s Exedy Corporation

CEEKAY DAIKIN LIMITED

(2) Key Management Personnel :

Shri Mahesh B. Kothari
Shri Pradeep B. Chinai
Shri Hideshi Shiba

(3) Relatives of Key management personnel and their enterprises, where transactions have taken place

Shri Saurabh M. Kothari

Note : Related party relationship on the basis of the requirements of Accounting Standards 18 (AS18) as in 1 to 3 above is pointed out and relied upon by the Auditors.

(4) During the year the Company entered into following related party transactions :

	Rs. in Lacs 31.03.2010	Rs. in Lacs 31.03.2009
Purchases :		
Associates	2641.92	1874.17
Expenses :		
Interest Paid to :		
i) Directors	1.92	5.62
ii) Relatives of Directors	6.87	16.20
Salaries :		
Relative of Directors	16.01	13.66
Royalty & Technical Know-how :		
Associates	178.17	131.23
Balance Outstanding		
Creditors - Associates	2929.90	2235.97

Remuneration paid to Directors is disclosed in Note No.5a

14. **Taxation :**

Income Tax :

Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred Taxation :

The timing differences related mainly to depreciation and unabsorbed losses and the net effect of such differences will result in deferred tax asset. As a measure of prudence such net deferred tax assets relating to the above period has not been recognised in the accounts.

15. Earnings per share (EPS)	31.03.2010	31.03.2009
Number of equity shares	6006696	4031496
Net Profit after tax available for equity shareholders (Rs. in lacs)	(106.54)	(747.83)
Basic and Diluted Earning per share (Rs.)	(1.77)	(18.55)
16. Disclosure pursuant to Accounting Standard 15 (Revised) "Employee Benefits".		
a) An amount of Rs. 134.27 lacs as contribution towards defined contribution plans is recognised as expense in the Profit & Loss Account		
b) The disclosure in respect of the Defined Benefit Gratuity Plan are given below :		
	31.03.2010	31.03.2009
	Rs. in lacs	Rs. in lacs
(i) Changes in present value of obligations		
Present value of obligations as at 31.03.2009	277.69	256.26
Interest Cost	21.52	21.36
Current Service cost	15.95	15.68
Benefit paid	(26.30)	(9.97)
Actuarial (gain)/loss on obligation	28.63	(5.64)
Present value of obligations as at 31.03.2010	407.95	277.69
(ii) Changes in Fair Value of plan assets		
Fair value of plan assests as at 31.03.2009	212.03	171.85
Expected return on plan assests	16.96	16.06
Contributions	56.51	33.85
Benefits paid	(26.30)	(9.97)
Actuarial gain/(loss) on plan assests	6.56	0.24
Fair Value of plan assests as at 31.03.2010	265.76	212.03
(iii) Amounts to be recognised in the Balance Sheet and statement of Profit & Loss Account		
Present value of Obligations as at 31.03.2010	407.95	277.69
Fair value of plan Assets as at 31.03.2010	265.76	212.03
(iv) Expenses recognised in the statement of Profit & Loss Account		
Current Service Cost	15.95	15.68
Interest Cost	21.52	21.36
Expected return on Plan Assets	(16.96)	(16.06)
Net Actuarial (gain)/loss on Plan Assets	23.30	(5.87)
Past Service cost recognised	90.46	—
Expense recognised in the statement of Profit & Loss Account	134.27	15.10

CEEKAY DAIKIN LIMITED

	31.03.2010	31.03.2009
	Rs. in lacs	Rs. in lacs
(v) Assumptions		
Discount Rate	7.75%	7.75%
Rate of return on plan assets	8.00%	8.00%
Salary escalation	5.00%	5.00%
The estimate of future salary increases considered in the actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors.		
17.	According to the company, there is no impairment in carrying cost of cash generating units of the Company in terms of accounting standard (AS-28), issued by The Institute of Chartered Accountants of India.	
18.	Previous year figures have been regrouped wherever necessary to conform to this year's presentation.	
As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI MANAGING DIRECTOR	PRADEEP B. CHINAI MANAGING DIRECTOR
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 27th July, 2010	HETAY VORA COMPANY SECRETARY	HIDESHI SHIBA MANAGING DIRECTOR

Additional Information Pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956 (Refer Schedule XVI, Paragraph 11)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	: 16985	State Code	: 11
Balance Sheet Date	: 31st March, 2010		
II. Capital Raised During the year (including premium) (Amount Rs. in Lacs)			
Public Issue	: Nil	Right Issue	: Nil
Bonus Issue	: Nil	Private Placements	: 1224.62
III. Positions of Mobilisation and Development of Funds (Amount Rs. in Lacs)			
Total Liabilities	: 8,491.96		
Total Assets	: 8,491.96		
Sources of Funds			
Paid up Capital	: 600.67	Reserves and Surplus	: 1,656.39
Secured Loans	: 2,952.62	Unsecured Loans	: 3,282.28
Application of Funds			
Net Fixed Assets	: 5,765.75	Investments	: ---
Net Current Assets*	: 2,733.78	Misc. Expenditure	: ---
Accumulated Losses	: Nil		
* Net current asset includes deferred tax asset / (liability)			
IV. Performance of Company (Amount Rs. in Lacs)			
Turnover	: 16,152.17	Total Expenditure	: 16,258.50
Profit/(Loss) Before Tax	: (106.54)	Profit/(Loss) After Tax	: (106.54)
Earning Per Share Rs.	: (1.77)	Dividend rate (%)	: --
V. Generic Names of the Three Principal Products/Services of Company			
Item Code No.	: 8708.93		
Product Description	: Clutch Plate Assembly		
Item Code No.	: 8708.93		
Product Description	: Clutch Cover Assembly		
Item Code No.	: 8708.93		
Product Description	: One Way Clutch		
Item Code No.	: 8708.93		
Product Description	: Kits and Components		

CEEKAY DAIKIN LIMITED

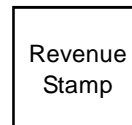
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PROXY FORM
CEEKAY DAIKIN LIMITED

I/We _____ of _____
_____ being a member/members of CEEKAY DAIKIN
LIMITED hereby appoint _____
of _____ or failing him _____
_____ of _____ as my/our
proxy to attend and vote for me/us on my/our behalf at the Thirty Sixth Annual General Meeting of the
Members of the Company to be held on Tuesday, 31st day of August, 2010 at 11.30 a.m. and
at any adjournment thereof.

As Witness my/our hand (s) this _____ day of _____ 2010.

Signed by the said



Note : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A proxy need not be a member of the Company.

CEEKAY DAIKIN LIMITED

Regd. Office : Plot L-4 MIDC Industrial Area , Chikalthana P. O. MIDC, Aurangabad - 431210, Maharashtra

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the Thirty Sixth Annual General Meeting at Plot L-4, MIDC Industrial Area, Chikalthana, P. O. MIDC, Aurangabad - 431 210, Maharashtra, on Tuesday, 31st day of August, 2010 at 11.30 a. m.

Name of the Member Folio no.	DP ID No. Client ID No. (In case of demat holding only)
---------------------------------	---

..... Name of Proxy/Representative (in BLOCK letters) (To be filled in if the Proxy/Representative attends instead of the Shareholder)
--

Signature of the Member or Proxy/ Representative
--