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DIRECTORS

MAHESH B. KOTHARI	EXECUTIVE CHAIRMAN
HOMI C. H. BHABHA	
SHREEKANT V. MEHTA	
BHARAT H. PATEL	
SUDHIR SATHE	
PRADEEP B. CHINAI	MANAGING DIRECTOR
AKIRA HIRAI	MANAGING DIRECTOR
HIDESHI SHIBA	WHOLE TIME DIRECTOR

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.

EXEDY INDIA LIMITED



NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the members of Exedy India Limited will be held on 7th day of September, 2011 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, 2011.
2. To appoint a Director in place of Mr. Homi C. H. Bhabha who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Shreekant V. Mehta who retires by rotation and being eligible offers himself for reappointment.
4. 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, having Membership No. 3784, 401, Avanti Apartment, 'A' Wing, King Circle, Mumbai- 400 022, be and 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

5. To consider, and if thought fit, to pass with or without modification, the following resolutions as special resolution for appointment of Twisha Chinai Mulchandani as Manager- Projects & Business Developments.

RESOLVED THAT pursuant to the provisions of Sections 314(1), 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and to the approval of the Central Government if applicable, consent of the Company be and is hereby accorded to Twisha Chinai Mulchandani, a relative of Mr. Pradeep B Chinai, Managing Director of the Company, to hold an office or place of profit as Manager- Projects & Business Development of the Company.

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

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6. 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, 2012, 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, 25th July, 2011.

EXEDY INDIA 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 1st September 2011 to 7th September 2011 (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 2011 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, 2003 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, 25th July, 2011.

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

ITEM No. 5

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

Twisha Chinai Mulchandani is a Bachelor of Business Administration, Finance and Management Information Systems from **The University of Texas at Austin**.

The Board of Directors, at their meeting held on 26th April, 2011 has appointed Twisha Chinai Mulchandani as Manager- Projects & Business Development.

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

None of the Directors of the company except Mr. Pradeep B. Chinai, is interested in this item of business, who is deemed to be interested as individual as well as related parties.

ITEM NO. 6

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, 25th July, 2011.

EXEDY INDIA LIMITED**DIRECTORS' REPORT****TO****THE MEMBERS**

Your Directors have pleasure in presenting the Thirty Seventh Annual Report together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2011.

1) FINANCIAL RESULTS:	2010-11 Rs. in Lacs	2009-10 Rs. in Lacs
i) INCOME		
Sale of products & other services (Net of Excise & Inter division sales)	20563.13	16152.17
ii) EXPENSES		
Manufacturing and other expenses	(19850.65)	(14882.85)
iii) OPERATING PROFIT (before interest & depreciation)	712.48	1269.32
iv) INTEREST	(552.32)	(643.65)
v) GROSS PROFIT (before depreciation)	160.18	625.67
vi) DEPRECIATION	(807.49)	(732.00)
vii) PROFIT / (LOSS) (after depreciation)	(647.33)	(106.33)
viii) PROVISION FOR DEFERRED TAX	-	--
ix) PROVISION FOR CURRENT TAX	-	--
x) PROVISION FOR FRINGE BENEFIT TAX	-	--
xi) TAX IN RESPECT OF EARLIER YEARS	(0.15)	(0.21)
xii) TRANSFER FROM GENERAL RESERVES	-	--
xiii) PROFIT / (LOSS) AFTER TAX	(647.48)	(106.54)
xiv) Balance of profit brought forward from previous year	290.82	397.36
xv) Amount available for appropriations	(356.66)	290.82
xvi) APPROPRIATIONS		
a) Dividend (Proposed)	-	--
b) Dividend Tax	-	--
c) Transfer to General Reserve	-	--
d) Balance carried to Balance Sheet	(356.66)	290.82

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2) DELISTING

The Board of Directors of the Company has received a letter from EXEDY Corporation on May 30th, 2011, proposing a voluntary delisting of the equity shares of the Company from the Bombay Stock Exchange Limited (the "BSE") under Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "Delisting Regulations") with a view to acquire all the outstanding shares of the Company held by public shareholders and delist shares of the Company from the BSE (the "Delisting Proposal"). At present EXEDY Corporation holds 69.14% of the paid-up equity capital in the Company and Indian Promoters ("Ceekay Group"), hold 24.80% stake in the Company. Combined Promoters (EXEDY Corporation and Ceekay Group) shareholding in the Company is at 93.94%.

EXEDY Corporation had requested the Board of Directors of the Company to convene a board meeting to pass a resolution approving the delisting of the equity shares of the Company and seek consent of the equity shareholders of the Company for delisting of the equity shares of the Company by way of postal ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Board of directors of the Company has approved the delisting proposal and subsequently obtained approval from shareholders through postal ballot on 25th July, 2011.

3) CHANGE OF NAME

As a consequence of the acquisition of equity shares of the 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, the company has changed its name 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.

4) DIVIDEND

The revenue account of your Company for the year has shown a loss of Rs 647.48 lacs after providing for interest, depreciation and tax liability. In view of the loss incurred your directors do not recommend dividend this year.

5) OPERATIONS

Sales have increased by 30%, operating profit before interest and deprecation has decreased from Rs.1,269.32 lacs to Rs. 712.48 lacs. Interest costs are high on account of high debt levels. Raw material costs have seen a sharp increase throughout the financial year 2010-11. Further, the loss on account of exchange fluctuation has increased from a gain of Rs. 172.97 lacs in 2009-10 to a loss in 2010-11 of Rs. 298.82 lacs.

Your Company achieved production of 1.69 million Clutch Disc and 1.58 million Clutch Covers in 2010-11. Production of One Way Clutches was 1.61 million.

The passenger vehicle segment grew by 22% y-o-y, The Commercial vehicle segment had a 10% increase in sales. The LCV segment grew by 17%. Two wheelers grew by 20%. Overall, the automotive sector was stable and showed a steady growth.

The Sale of products during the year is as follows:

	2010-11	2009-10
CLUTCHDISC	1707829 Nos.	1438978 Nos.
CLUTCHCOVER	1582435 Nos.	1310770 Nos.
ONE WAY CLUTCHES	1618177 Nos.	1028746 Nos.
KITS&COMPONENTS	Rs. 159.30	Rs. 262.16

Your Company made an operating profit of Rs.712.48 lacs, during the current year as against an operating profit of Rs.1,269.32 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. 20,563.13 lacs as against Rs. 16,152.17 lacs for the previous financial year.

The loss is at Rs. 647.48 lacs as against loss of Rs.106.54 lacs in the previous year. Your company

EXEDY INDIA LIMITED



has been impacted by high debt on its books, exchange loss on account of imports from Japan, and high material costs.

The Sales from April to June 2011-12 as compared to the same period in 2010-11 is as follows:

	2011-12 (APRIL-JUNE)	2010-11 (APRIL-JUNE)
Clutch Disc Asslys.	4,52,314 Nos.	3,86,531 Nos.
Clutch Cover Asslys.	4,28,985 Nos.	3,44,799 Nos.
One Way Clutch	3,47,914 Nos.	3,88,665 Nos.
Net Turnover (net of excise and Inter division sales)	Rs. 6,219.62 lacs	Rs. 4,621.19 lacs

New Development

Various new vehicle developments took place for vehicles to be launched in 2011-12.

New Business

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.

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, 2011, along with proper explanation relating to material departures;

2. They have selected accounting policies and applied them consistently and made judgements 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, 2011 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) 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. 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.

9) INSURANCE

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

10) PARTICULARS OF EMPLOYEES

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

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

The required details are furnished in Annexure to this report.

12) 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.

13) 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. 98.64 % 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 : 25th July, 2011

EXEDY INDIA 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.

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.

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 Clutches.
- (2) The Company has imported the technology for manufacture of Diaphragm Springs during the

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

	2010-11	2009-10
Aurangabad	35,26,550 Units	30,71,390 Units
Noida	42,86,933 Units	26,70,560 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 : 25th July, 2011

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 one Executive Chairman, two Managing Directors, one Whole Time Director, and four Non-executive independent Directors.

During the year five Board meetings were held on:

(i) 27/04/2010 (ii) 27/07/2010 (iii) 31/08/2010 (iv) 29/10/2010 (v) 31/01/2011

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, 2011 are as follows:-

Name of Director	Category	No. of Board meetings attended	Attendance of last AGM	No. of other directorships	No. of other Committee membership
Mahesh B. Kothari	Executive Chairman	5	Yes	2	-
Homi C.H. Bhabha	Non Executive Director	3	No	9	4
Shreekant V. Mehta	Non Executive Director	4	No	3	-
Bharat H. Patel	Non Executive Director	5	Yes	13	1
Sudhir Sathe	Non Executive Director	3	Yes	1	-
Pradeep B. Chinai	Managing Director	5	Yes	5	3
Akira Hirai	Managing Director	4	Yes	-	-
Hideshi Shiba	Whole Time Director	5	Yes	-	-

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. Homi C. H. Bhabha

Mr. Homi C. H. Bhabha is a Chartered Accountant from the Institute of Chartered Accountants of England and Wales. Mr. Bhabha is a Director on the Board of some well-known companies and possesses considerable experience in areas concerning finance, accounts and administration. He has been with your Company since September, 1985. He is a member of the Audit Committee and the Chairman of the Remuneration Committee.

Mr. Shreekant V. Mehta

Mr. Shreekant Mehta is a solicitor and a partner of Malvi Ranchoddas & Co., a reputed solicitor firm since 1975 and heads the litigation team there, apart from handling other non-litigation matters. He graduated in Law from the Bombay University and qualified as a solicitor in 1974. He is the member of the Maharashtra & Goa Bar Association and The Bombay Incorporated Law Society. He has vast experience on legal matters and with his expertise, guides your Company in all legal matters. He has been associated with your company since July 1989 and is a member of the Audit Committee as well as the Remuneration Committee.

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.
- 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	4
2.	Homi C.H. Bhabha	Member	Non Executive Director	3
3.	Shreekant V. Mehta	Member	Non Executive Director	4

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings.

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 Executive Chairman, Managing Directors, Whole Time Director 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 is 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 2010-11 are given below:-

Sr. No.	Name of Director	Sitting fees	Commission	Total
1.	Homi C.H. Bhabha	7,000	Nil	7,000
2.	Shreekant V. Mehta	9,000	Nil	9,000
3.	Bharat H. Patel	10,000	Nil	10,000
4.	Sudhir Sathe	5,000	Nil	5,000

Remuneration to Executive Directors

Details of remuneration of Executive Directors for the year ended 31st March, 2011 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	50,00,360	NIL	NIL	50,00,360
2.	Mr. Pradeep B. Chinai	NIL	50,00,042	NIL	NIL	50,00,042
3.	Mr. Akira Hirai	NIL	40,25,995	NIL	NIL	40,25,995
4.	Mr. Hideshi Shiba	NIL	38,39,288	NIL	NIL	38,39,288

* 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, Executive Chairman of the Company.

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 3 meetings during the year 2010-11. The attendance of these meetings was as under :

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

VI. GENERAL BODY MEETINGS OF LAST 5 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.
2010 AGM	Plot L-4 MIDC Industrial Area Chikalthana, P.O. CIDCO Aurangabad - 431 210	Tuesday 31.08.2010	11.30 a.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 Seventh Annual General Meeting of the shareholders will be held on Wednesday, 7th September, 2011 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 Twisha Chinai Mulchandani Appointment of Branch Auditor
Company's financial year	:	1st April, 2010 to 31st March, 2011
Book Closure	:	The Company's register of Members and share transfer books will remain closed from 1st September 2011 to 7th September 2011 (both days inclusive).
Listing of Equity Shares	:	The Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. Annual listing fee for the year 2010-2011 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 2010	176.55	167.00
May 2010	180.00	148.00
June 2010	169.95	132.15
July 2010	224.00	148.55
August 2010	203.55	169.65
September 2010	259.65	192.90
October 2010	219.95	190.00
November 2010	223.90	171.05
December 2010	229.90	169.00
January 2011	205.00	172.95
February 2011	193.00	135.45
March 2011	156.75	136.35

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.

37TH ANNUAL REPORT 2010-2011**Distribution of Shareholding as on 31st March 2011**

Range of ordinary shares	No. of Shareholders	% of No. of Shareholders	Amount Rs.	% to Equity
1 to 500	1116	92.23	1,300,140.00	2.16
501 to 1000	47	3.88	363,490.00	0.61
1001 to 2000	20	1.65	286,800.00	0.48
2001 to 3000	6	0.50	144,500.00	0.24
3001 to 4000	1	0.08	36,000.00	0.06
4001 to 5000	3	0.25	144,950.00	0.24
5001 to 10000	3	0.25	251,000.00	0.42
10000 & above	14	1.15	57,540,080.00	95.79
	1210	100	60,066,960.00	100

Shareholding Pattern as on 31st March, 2011

Particulars	No. of Shares held	% to total
Foreign Collaborators	41,52,913	69.14
F.I.I. & O.C.B.	1,800	0.03
Mutual Funds	950	0.02
Domestic Companies	1,27,043	2.12
Directors & Relatives	14,89,925	24.8
Non-Resident Indians	1,617	0.01
Individual	2,27,182	3.79
Trust/Market Maker/HUF	5,266	0.09
Total	60,06,696	100

Dematerialization of shares

The Company has entered into agreements with NSDL & CDSL for dematerialization of shares. As on 31st March 2011 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.: 07503131000 / 01 |
|---|---|

Address for Correspondence

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

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY DEVELOPMENTS**

The passenger vehicle segment grew by 22% y-o-y . The commercial vehicles segment had a 10% increase in sales. The LCV segment grew by 17% as compare to last year. The two-wheeler segment showed a growth of 20%. Overall, the automotive sector was stable and showed a steady growth.

OPPORTUNITIES

1. New model launches of existing customers, both for 4 wheeler and two wheeler clutches.
2. After market business is experiencing shortages in many parts because of capacity constraints of competitors. Your company is in a position to meet this demand.

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.
3. Strong customer base across various vehicle classes. Support from all customers for existing and new business continues to be positive.

WEAKNESSES

1. High cost of borrowing
2. Increase in material costs
3. Exposure to foreign exchange fluctuations

THREATS:

1. Cost of steel increasing at frequent intervals.
2. As always, your company is in a business where competition is very intense. This will need to be countered with newer technology at sustainable prices.
3. Interest cost increases may result in decisions for new vehicle purchases being delayed.

RISKS & CONCERNS:

High levels of borrowing in long and short term continue to strain your company's performance. Exchange fluctuation can result in heavy burden on your company.

OUTLOOK:

The Indian economy continues to remain steady. However, the recent increases in interest costs may result in customers delaying their decision to purchase new vehicles. The inflationary trends in the country, may result in a more conservative approach to spending. Your company is in a position to offset any unforeseen dips with a more focused approach in the after market.

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

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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 : 25th July, 2011

EXEDY INDIA LIMITED



**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF
THE LISTING AGREEMENT**

To,

The Members of Exedy India Limited

I, Mr. Pradeep B. Chinai, Managing Director of Exedy India 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, 2011.

PRADEEP B CHINAI
Managing Director

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

Mumbai, 25th July, 2011

COMPLIANCE CERTIFICATE

To

The Members of Exedy India Limited

We have examined the Compliance of conditions of Corporate Governance by Exedy India Limited, for the year ended on 31st March, 2011, 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, 25th July, 2011

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AUDITOR'S REPORT

To

TO THE SHAREHOLDERS OF MESSRS. EXEDY INDIA LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

We have audited the attached Balance Sheet of Messrs. EXEDY INDIA LIMITED as at 31st March, 2011, 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, 2011 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

EXEDY INDIA 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, 2011; 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, 25th July, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 OF MESSRS EXEDY INDIA 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.

EXEDY INDIA 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 accumulated losses at the end of the financial year and earned cash profit during the financial year covered by our report and earned cash profit in the immediately preceeding 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 and banks.

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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, 25th July, 2011

EXEDY INDIA LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
1. SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
Share capital	1	600.67	600.67
Reserves & Surplus	2	1,008.91	1,656.39
		<u>1,609.58</u>	<u>2,257.06</u>
LOAN FUNDS :			
Secured Loans	3	2,626.86	2,952.62
Unsecured Loans	4	5,022.37	3,282.28
		<u>7,649.23</u>	<u>6,234.90</u>
		<u>9,258.81</u>	<u>8,491.96</u>
2. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	5	12,769.79	11,785.25
Less : Depreciation		6,818.65	6,019.50
Net Block		<u>5,951.14</u>	<u>5,765.75</u>
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	6	3,784.60	2,846.27
Sundry Debtors	7	4,082.52	2,528.17
Cash & Bank Balances	8	1,595.81	904.89
Loans & Advances	9	1,158.90	1,563.30
		<u>10,621.83</u>	<u>7,842.63</u>
LESS :			
CURRENT LIABILITIES & PROVISIONS	10	7,306.59	5,108.85
NET CURRENT ASSETS		<u>3,315.24</u>	<u>2,733.78</u>
NET DEFERRED TAX ASSETS / (LIABILITIES)		<u>(7.57)</u>	<u>(7.57)</u>
		<u>9,258.81</u>	<u>8,491.96</u>

As per our report of even date.

For D. L. SHAH & CO.

Regn. No. 109542W

CHARTERED ACCOUNTANTS.

MAHESH B. KOTHARI
EXECUTIVE CHAIRMAN

PRADEEP B. CHINAI
MANAGING DIRECTOR

DINESH L. SHAH
PROPRIETOR

Membership No. 3784

MUMBAI, 25th July, 2011

AKIRA HIRAI
MANAGING DIRECTOR

HIDESHI SHIBA
WHOLE TIME DIRECTOR

HETAY VORA
COMPANY SECRETARY

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31st March 2011 (Rs.in lacs)	31st March 2010 (Rs. in lacs)
1. INCOME			
Sale of products		24,222.45	18,886.84
Less : Inter division transfer		2,390.66	2,098.09
		21,831.79	16,788.75
Less : Excise Duty		2,206.49	1,434.13
		19,625.30	15,354.62
Other Income	11	937.83	797.55
		20,563.13	16,152.17
2. EXPENSES			
Manufacturing & other expenses	12 & 13	19,850.65	14,882.85
3. INTEREST	14	552.32	643.65
4. TOTAL EXPENDITURE (2+3)		20,402.97	15,526.50
5. PROFIT/(LOSS) BEFORE DEPRECIATION (1-4)		160.16	625.67
6. DEPRECIATION	5	807.49	732.00
7. PROFIT/(LOSS) BEFORE TAX		(647.33)	(106.33)
8. PROVISION FOR TAX			
a) Deferred tax		-	-
b) Current tax		-	-
c) Fringe Benefit Tax		-	-
d) Income Tax in respect of earlier years		0.15	0.21
9. PROFIT/(LOSS) AFTER TAX		(647.48)	(106.54)
10. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		290.82	397.36
BALANCE CARRIED TO THE BALANCE SHEET		(356.66)	290.82

As per our report of even date.			
For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI EXECUTIVE CHAIRMAN	PRADEEP B. CHINAI MANAGING DIRECTOR	
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 25th July, 2011	AKIRA HIRAI MANAGING DIRECTOR	HIDESHI SHIBA WHOLE TIME DIRECTOR	HETAY VORA COMPANY SECRETARY

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	31st March 2011 (Rs. in Lacs)	31st March 2010 (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	600.67	600.67
	<u>600.67</u>	<u>600.67</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	1,027.10	-
Add : Addition During the year	-	1,027.10
	<u>1,027.10</u>	<u>1,027.10</u>
		-
d) Profit & Loss Account	<u>(356.66)</u>	<u>290.82</u>
	<u>1,008.91</u>	<u>1,656.39</u>

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
SCHEDULE - 3		
SECURED LOANS :		
1. Term Loan from ICICI Bank Ltd.,	86.38	268.13
2. Term Loan from Bank of Maharashtra	63.06	103.14
3. Term Loan from ICICI Bank Ltd., KMBL, HDFC & MSI Ltd.	25.14	21.45
<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	619.12	736.03
5. Bank Overdrafts are secured by hypothecation of stocks, finished goods, stock in process, stores, packing materials, book debts, second charge on immovable assets.	1,833.16	1,823.87
	<u>2,626.86</u>	<u>2,952.62</u>
SCHEDULE - 4		
UNSECURED LOANS :		
Other loans and Advances	244.37	190.71
External Commercial Borrowing	1,875.35	-
Loan from Citibank	2,168.00	2,168.00
Loans from Directors & Shareholders	50.00	51.30
Loan from ICICI Bank Ltd. under ECIP Scheme	11.10	11.10
Sales-tax deferral loan from State Industrial & Investment Corpn. of Maharashtra Ltd. under the the package scheme of incentives for dispersal of industries		
Scheme I & II	14.31	14.31
Scheme III	25.61	69.46
Scheme IV	633.63	764.57
Loan in lieu of Trade Tax	-	12.83
	<u>5,022.37</u>	<u>3,282.28</u>

EXEDY INDIA LIMITED

SCHEDULE -5 FIXED ASSETS :		Rs. in Lacs									
		GROSS BLOCK			DEPRECIATION				NET BLOCK		
Sr. No.	Particulars	As on 01.04.10	Additions/ (Deductions) for the year	As on 31.03.11	As on 01.04.10	For the Year	Deductions/ Transfer	As on 31.03.11	As on 31.03.11	As on 31.03.10	
1.	Leasehold Land	117.73	--	117.73	10.48	1.35	--	11.83	105.90	107.25	
2.	Factory Building	971.36	42.75	1014.11	233.57	32.58	--	266.15	747.96	737.79	
3.	Plant & Machinery	5829.81	478.70	6308.51	3102.81	364.56	--	3467.37	2841.14	2727.00	
4.	Computers	159.60	43.98 (2.74)	200.84	117.06	19.92	2.58	134.39	66.45	42.54	
5.	Electrical Installations	230.19	44.70	274.89	82.75	12.58	--	95.33	179.56	147.44	
6.	Vehicles	118.22	43.38 (15.96)	145.63	39.56	17.37	5.76	51.17	94.46	78.66	
7.	Furniture & Fixture	96.98	11.44	108.42	52.05	5.84	--	57.89	50.53	44.93	
8.	Office Equipment	85.53	28.33	113.86	43.03	11.77	--	54.80	59.06	42.50	
9.	Inspection Instruments	251.90	10.42	262.32	100.44	12.10	--	112.54	149.78	151.46	
10.	Tools, Dies, Jigs & Fixtures	3392.64	231.73	3624.37	2237.75	329.42	--	2567.18	1057.19	1154.89	
11.	Capital Work in Progress	531.29	67.82	599.11	--	--	--	--	599.11	531.29	
	TOTAL	11785.25	1003.25 (18.70)	12769.79	6019.50	807.49	8.34	6818.65	5951.14	5765.75	
	PREVIOUS YEAR	11316.04	540.27 (71.06)	11785.25	5313.26	732.00	25.76	6019.50	5765.75	6002.78	

	31st March 2011 (Rs. in Lacs)	31st March 2010 (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	89.69	113.62
Stock in Process	1,060.41	1,158.21
Raw Material	2,288.32	1,324.47
Stores & Spares	301.28	181.72
Scrap	10.44	30.14
Packing Materials	34.46	38.11
	<u>3,784.60</u>	<u>2,846.27</u>
SCHEDULE - 7		
SUNDRY DEBTORS :		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	593.97	408.06
Others	3,488.55	2,120.11
	<u>4,082.52</u>	<u>2,528.17</u>
SCHEDULE - 8		
CASH & BANK BALANCES :		
Cash on hand	1.71	2.49
Bank balance in current account	1,594.10	902.40
	<u>1,595.81</u>	<u>904.89</u>
SCHEDULE - 9		
LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or kind or value to be received	1,048.50	1,457.43
Sundry Deposits	110.40	105.87
	<u>1,158.90</u>	<u>1,563.30</u>

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors for Goods and Expenses	7,174.12	4,976.37
Provisions for Taxation	130.59	130.59
Unclaimed Dividend	1.88	1.89
	<u>7,306.59</u>	<u>5,108.85</u>
SCHEDULE - 11		
INCOME :		
1. Other Income	937.83	797.55
	<u>937.83</u>	<u>797.55</u>
SCHEDULE - 12		
MANUFACTURING & OTHER EXPENSES :		
1. Material costs & Miscellaneous Purchase :		
Raw Material consumed		
Opening Stock	1,324.47	1,400.55
Add : Purchases	14,204.85	9,931.46
	<u>15,529.32</u>	<u>11,332.01</u>
Less : Closing Stock	2,288.32	1,324.47
	<u>13,241.00</u>	<u>10,007.54</u>
(Increase) /Decrease in stock of finished goods and work in process	141.43	(50.13)
Net raw material consumed	<u>13,382.43</u>	<u>9,957.41</u>
2. Payment to and Provision for Employees :		
a) Salaries & Wages	1,464.96	1,187.31
b) Contribution to Provident and other funds, and Superannuation fund	106.47	72.94
c) Staff & Labour Welfare	77.40	76.13
	<u>1,648.83</u>	<u>1,336.38</u>

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
3. Operation & Other Expenses :		
a) Stores & Spares	712.10	531.36
b) Power & Water	609.87	437.29
c) Repairs to Machinery	428.84	173.20
d) Repairs to Building & Others	47.98	27.46
e) Rent, Rates and Taxes	97.63	56.12
f) Insurance Charges	16.76	28.36
g) Royalty	225.26	178.17
h) Auditors Remuneration	6.89	5.40
i) Sales Tax	536.06	529.51
j) Establishment & Other Expenses (refer schedule 13)	2,130.86	1,620.40
k) Reserach & Development (Including related to previous year Rs. 4.17 lacs)	7.14	1.79
	<u>4,819.39</u>	<u>3,589.06</u>
TOTAL (1 + 2 + 3)	<u>19,850.65</u>	<u>14,882.85</u>
(Increase) / Decrease in stock		
Closing Stock :		
Semi Finished goods	1,060.41	1,158.21
Finished goods	89.69	113.62
Scrap	10.44	30.14
	<u>1,160.54</u>	<u>1,301.97</u>
Opening 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>
(Increase)/Decrease in Stock of Finished Goods & Work in Process	<u>141.43</u>	<u>(50.13)</u>

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
SCHEDULE - 13		
ESTABLISHMENT & OTHER EXPENSES :		
Packing Materials	264.10	173.31
Printing & Stationary	27.65	13.48
Postage & Telephone	29.71	26.49
Travelling & Conveyance	170.77	170.63
Selling Expenses	105.56	189.71
Motor Car Expenses	31.64	22.33
Advertisement Expenses	1.40	1.67
Sundry Expenses	975.63	554.10
Director's Sitting Fees	0.31	0.29
Director's Remuneration & Benefits	150.61	108.86
Legal & Professional Charges	38.92	38.06
Freight & Forwarding	169.33	196.61
Octroi	165.23	124.86
	<u>2,130.86</u>	<u>1,620.40</u>
SCHEDULE - 14		
INTEREST & FINANCIAL EXPENSES :		
Interest To Banks - Working Capital	234.57	260.46
To Others	25.27	24.30
To Financial Institutions & Banks - Term loan	263.74	331.12
Financial Expenses	28.74	27.77
	<u>552.32</u>	<u>643.65</u>
As per our report of even date.		
For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI EXECUTIVE CHAIRMAN	PRADEEP B. CHINAI MANAGING DIRECTOR
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 25th July, 2011	AKIRA HIRAI MANAGING DIRECTOR	HIDESHI SHIBA WHOLE TIME DIRECTOR
		HETAY VORA COMPANY SECRETARY

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Pursuant to the listing agreement with Stock Exchange)

	(Rs.in lacs)			
	2010-11		2009-10	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(647.33)		(106.33)
Adjustment for :				
Depreciation (Net)	807.49		732.00	
Interest	516.59		615.89	
Foreign Exchange fluctuation (Net)	298.82	1,622.90	(172.97)	1,174.92
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		975.57		1,068.59
Adjustment for :				
Trade and Other receivables	(1,149.95)		(908.08)	
Inventories	(938.33)		22.64	
Trade Payable	2,201.62		1,012.93	
(Profit) / Loss on Sale of Fixed Assets	3.63	116.97	1.04	128.53
		1,092.54		1,197.12
CASH GENERATED FROM OPERATIONS				
Interest paid	(532.45)		(616.89)	
Direct Tax paid	(0.15)	(532.60)	(3.96)	(620.85)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		559.94		576.27
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(1,003.25)		(540.27)	
Sale of Fixed Assets	18.70	(984.54)	44.25	(496.02)
		(424.60)		80.25

	(Rs.in lacs)	
	2010-11	2009-10
	(424.60)	80.25
C. CASH FLOW FROM FINANCE ACTIVITES :		
Increase in Share Capital & Share Premium	–	1,224.62
Total proceed from borrowings / Repayment of loans	1,414.33	(642.56)
Foreign Exchange fluctuation (Net)	(298.82)	172.97
NET CASH USED IN FINANCING ACTIVITIES	690.91	835.28
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS AT 01.04.2010	904.89	69.61
CASH AND CASH EQUIVALENTS AS AT 31.03.2011	1,595.80	904.89
As per our report of even date.		
For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.	MAHESH B. KOTHARI EXECUTIVE CHAIRMAN	PRADEEP B. CHINAI MANAGING DIRECTOR
DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 25th July, 2011	AKIRA HIRAI MANAGING DIRECTOR	HIDESHI SHIBA WHOLE TIME DIRECTOR
		HETAY VORA COMPANY SECRETARY

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 PROCESS : 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 flow. 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 currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognized as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets at the year end.

Any premium or discount arising at the inception of a forward exchange contract is recognized as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

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 reassess 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.

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**NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	186.98	365.17
2. Contingent liabilities not provided for:		
a) In respect of guarantees given by banks and letter of credit opened by banks	161.85	114.31
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 & trading activity		
Central Excise	2,418.56	1,582.63
Sales Tax	791.47	691.73
4. Payment to auditors : (H.O. & Plants)		
Audit Fees	2.53	2.53
Tax Audit Fees & Taxation matters	1.35	1.86
Certification & Others	0.28	1.01
	<u>4.16</u>	<u>5.40</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 Executive Directors :		
Salary	104.45	67.25
Contribution to P.F., Gratuity, Superannuation fund and Perquisites	74.21	52.64
	<u>178.66</u>	<u>119.89</u>
b) Sitting fees (Independent Directors)	0.31	0.29
	<u>0.31</u>	<u>0.29</u>

b. (i) Raw Materials Consumed :

	Unit	2010-11		2009-10	
		Quantity (^{'000})	Value Rs. in lacs	Quantity (^{'000})	Value Rs. in lacs
1) Steel Sheets & Strips	M.T.	3,652.39	3,328.15	3,094.12	1,865.37
2) Finished Components	Nos.	1,12,817.78	6,858.37	99,011.13	5,895.88
3) Semi Finished	Nos.	2,731.06	2,983.90	2,359.11	2,190.38
4) Oils & Chemicals			70.58		55.91
			13,241.00		10,007.54

(ii) Imported and indigenous raw material consumption :

	2010-11		2009-10	
	Amount (Rs.in lacs)	Percentage	Amount (Rs.in lacs)	Percentage
Imported	5144.72	38.85	3789.18	37.86
Indigenous	8096.28	61.15	6218.36	62.14
	13241.00	100.00	10007.54	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	
	2010-11	2009-10	2010-11	2009-10
Clutch Plate assy.	2200.00	2200.00	1694.50	1455.44
Clutch Cover assy.	1800.00	1800.00	1578.86	1317.07
One way Clutch	1800.00	1400.00	1616.91	1024.64

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			
	2010-11		2009-10		2010-11		2009-10		2010-11		2009-10	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
	(in '000)(in Lacs)		(in '000)(in Lacs)		(in '000) (in Lacs)		(in '000) (in Lacs)		(in '000) (in Lacs)		(in '000) (in Lacs)	
Clutch Plate Assy	22.13	62.75	5.67	29.08	8.80	36.35	22.13	62.75	1707.83	9049.88	1438.98	7223.09
Clutch Cover Assy	11.16	48.41	4.86	28.00	5.59	26.01	11.16	48.41	1582.43	8822.64	1310.77	6825.27
One Way Assy.	1.56	2.46	5.67	11.16	0.28	0.48	1.56	2.46	1618.18	3782.04	1028.75	2478.23
Kits & Compo- nents	--	--	6.19	0.16	--	0.01	--	--	94.75	159.30	107.95	262.16
	113.62		68.40		62.85		113.62		21813.67		16788.75	

Particular of Trading Transactions in 2010-11 (Previous year Nil)								
	Opening Qty (in '000)	Value Rs. in Lacs	Purchases Qty (in '000)	Value Rs. in Lacs	Sales Qty (in '000)	Sales Value Rs. in Lacs	Closing Qty (in '000)	Value Rs. in Lacs
Trading Goods	--	--	2.49	41.60	0.92	17.92	1.57	26.84
Class of goods based on classification given in the Industries (Development & Regulation) Act, 1951.								
						2010-11 Rs. in lacs	2009-10 Rs. in lacs	
d)	Value of imports calculated on CIF basis :							
	Components & spare parts					5,352.33	3,487.87	
	Capital Goods					6.91	114.04	
e)	Expenditure in foreign currencies :							
	Royalty					46.92	30.68	
	Travelling Expenses, Books & Periodicals					0.09	86.51	
	No. of non resident share holders and overseas corporate bodies					6	3	
	Number of shares held					41,54,530	30,37,876	
f)	Earning in Foreign Exchange :							
	Calculated on F. O. B. basis					20.49	32.61	
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 Tribunal 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.
- (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. 2.27 lacs. The company has filed an appeal before the Appellate Tribunal of Sales Tax and disputed the entire liability.
- (c) The Greater Noida Plant has an arrangement with The Pradeshiya 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 amount collected till 31st December, 2008 and paid through PICUP to the Sales Tax Department is shown as 'Secured Loan' and the amount of NIL Lacs (previous year Rs. Nil 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. 219.55 Lacs (Previous year Rs.257.82 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, Japan
- (2) Key Management Personnel :
Shri Mahesh B. Kothari
Shri Pradeep B. Chinai
Shri Akira Hirai
Shri Hideshi Shiba
- (3) Relatives of Key management personnel and their enterprises, where transactions have taken place
Exedy Corporation
Exedy Friction Materials Ltd
Exedy Thailand Co Ltd.
Asin Chemical Co Ltd.

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	Rs. in Lacs
	31.03.2011	31.03.2010
Purchases :		
Associates	4,092.48	2,641.92
Expenses :		
Interest Paid to :		
i) Directors	0.17	1.92
ii) Relatives of Directors	4.81	6.87
iii) Associates in respect of External Commercial Borrowings	14.41	--
Salaries :		
Relative of Directors	19.80	16.01
Royalty & Technical Know-how :		
Associates	225.26	178.17
Balance Outstanding		
Creditors - Associates	4,449.90	2,929.90

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

14. **Taxation :**

Income Tax :

No Provision for current income 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)** **31.03.2011** 31.03.2010

Number of equity shares	6006696	6006696
Net Profit after tax available for equity shareholders (Rs. in lacs)	(647.48)	(106.54)
Basic and Diluted Earning per share (Rs.)	(10.77)	(1.77)

16. **Disclosure pursuant to Accounting Standard 15 (Revised) "Employee Benefits".**

a) An amount of Rs. 55.08 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 :

	31.03.2011	31.03.2010
	Rs. in lacs	Rs. in lacs
(i) Changes in present value of obligations		
Present value of obligations as at 31.03.2010	407.95	277.69
Interest Cost	32.64	21.52
Current Service cost	19.04	15.95
Benefit paid	(38.89)	(26.30)
Actuarial (gain)/loss on obligation	17.32	28.63
Present value of obligations as at 31.03.2011	438.06	407.95
(ii) Changes in Fair Value of plan assets		
Fair value of plan assets as at 31.03.2010	265.76	212.03
Expected return on plan assets	21.26	16.96
Contributions	78.90	57.73
Benefits paid	(38.89)	(26.30)
Actuarial gain/(loss) on plan assets	7.35	6.56
Fair Value of plan assets as at 31.03.2011	319.68	265.76
(iii) Amounts to be recognised in the Balance Sheet and statement of Profit & Loss Account		
Present value of Obligations as at 31.03.2011	438.06	407.95
Fair value of plan Assets as at 31.03.2011	319.69	265.76

	31.03.2011	31.03.2010
	Rs. in lacs	Rs. in lacs
(iv) Expenses recognised in the statement of Profit & Loss Account		
Current Service Cost	19.04	15.95
Interest Cost	32.64	21.52
Expected return on Plan Assets	(21.26)	(16.96)
Net Actuarial (gain)/loss on Plan Assets	24.66	23.30
Past Service cost recognised	--	90.46
Expense recognised in the statement of Profit & Loss Account	55.08	134.27
(v) Assumptions		
Discount Rate	8.00%	7.75%
Rate of return on plan assets	8.00%	8.00%
Salary escalation	4.00%	5.00%
<p>The estimate of future salary increases considered in the actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors.</p>		
<p>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.</p>		
<p>18. Previous year figures have been regrouped wherever necessary to conform to this year's presentation.</p>		
<p>As per our report of even date. For D. L. SHAH & CO. Regn. No. 109542W CHARTERED ACCOUNTANTS.</p>		
	<p>MAHESH B. KOTHARI EXECUTIVE CHAIRMAN</p>	<p>PRADEEP B. CHINAI MANAGING DIRECTOR</p>
	<p>DINESH L. SHAH PROPRIETOR Membership No. 3784 MUMBAI, 25th July, 2011</p>	<p>AKIRA HIRAI MANAGING DIRECTOR</p>
		<p>HIDESHI SHIBA WHOLE TIME DIRECTOR</p>
		<p>HETAY VORA COMPANY SECRETARY</p>

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, 2011		
II. Capital Raised During the year (including premium) (Amount Rs. in Lacs)			
Public Issue	: Nil	Right Issue	: Nil
Bonus Issue	: Nil	Private Placements	: Nil
III. Positions of Mobilisation and Development of Funds (Amount Rs. in Lacs)			
Total Liabilities	: 9,258.81		
Total Assets	: 9,258.81		
Sources of Funds			
Paid up Capital	: 600.67	Reserves and Surplus	: 1,008.91
Secured Loans	: 2,626.86	Unsecured Loans	: 5,022.37
Application of Funds			
Net Fixed Assets	: 5,951.14	Investments	: ---
Net Current Assets	: 3,315.24	Misc. Expenditure	: ---
Accumulated Losses	: (356.66)		
IV. Performance of Company (Amount Rs. in Lacs)			
Turnover	: 20,563.13	Total Expenditure	: 21,210.46
Profit/(Loss) Before Tax	: (647.33)	Profit/(Loss) After Tax	: (647.48)
Earning Per Share Rs.	: (10.77)	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		

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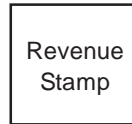
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PROXY FORM
EXEDY INDIA LIMITED

I/We _____ of _____
_____ being a member/members of EXEDY INDIA
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 Seventh Annual General Meeting of
the Members of the Company to be held on Wednesday, 7th day of September, 2011 at 11.30
a.m. and at any adjournment thereof.

As Witness my/our hand (s) this _____ day of _____ 2011.

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.

EXEDY INDIA 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 Seventh Annual General Meeting at Plot L-4, MIDC Industrial Area, Chikalthana, P. O. MIDC, Aurangabad - 431 210, Maharashtra, on Wednesday, 7th day of September, 2011 at 11.30 a. m.

Name of the Member Folio no.	DP ID No. Client ID No. (In case of demat holding only)
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..... Name of Proxy/Representative (in BLOCK letters) (To be filled in if the Proxy/Representative attends instead of the Shareholder)
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Signature of the Member or Proxy/ Representative
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