

PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF CEEKAY DAIKIN LIMITED

Registered Office: Plot No.L-4, MIDC Industrial Estate, Chikalthana, Aurangabad – 431210

This Public Announcement (the "Public Announcement" or "PA") is being issued by Ambit Corporate Finance Private Limited ("Manager to the Offer"), on behalf of EXEDY Corporation ("EXEDY" or "the Acquirer") pursuant to and in compliance with Regulations 11 and 12, and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of the PA (the "SEBI Takeover Code").

The Offer and its background

- This offer (the "Offer") is being made by the Acquirer to the equity shareholders of CeeKay Daikin Limited ("CDL" or the "Target Company"), other than the CeeKay Group (the existing promoters of CDL, hereinafter referred to as "CKG"). The constituents of CKG are Mr. Mahesh B. Kohari ("MBK"), Mr. Pradeep B. Chinal ("PBC"), Mrs. Nauka M. Kohari, Mrs. Irma P. Chinal, Mr. Sauroob M. Kohari, Ms. Sonu Sumaya, Ms. Alisha P. Chinal, Ms. Twisha P. Chinal, Pradeep B. Chinal (HUF) and Satin Engineering Private Limited (a company promoted by MBK, PBC and their family members). CKG, which is deemed to be acting in concert with the Acquirer, as explained in paragraph 12 below, is not acquiring any equity shares in the Offer and is not acting in concert with the Acquirer for the purposes of the Offer. There are no persons acting in concert with EXEDY for this Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert with the Acquirer. However, such persons are not persons acting in concert for the purposes of this Offer.
- Pursuant to a Share Subscription Agreement (the "SSA") entered on January 21, 2010 with the Target Company, the Acquirer has agreed for subscription to 1,719,713 equity shares of Rs. 10 each of CDL. Additionally, CKG, which is also a signatory to the SSA, has agreed for subscription to 255,487 equity shares of Rs. 10 each of CDL under the SSA, through MBK and PBC. The issuance under the SSA is through preferential allotment in accordance with provisions of, amongst others, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "Preferential Issue") at a price of Rs. 62 per equity share (the "Subscription Price").
- The Acquirer is the former collaborator of CDL and prior to the Preferential Issue held 32.12% of the pre-Preferential Issue equity and voting share capital of CDL. Acquirer's pre-Preferential Issue shareholding has been classified under the category "Public Shareholding" in the filings made by CDL with the Bombay Stock Exchange Limited (the "BSE"). The acquisition under the SSA is as follows:

Particulars	Pre Preferential Issue		Preferential Issue		Post Preferential Issue		
	No. of equity shares	% of pre-Preferential Issue equity and voting share capital	No. of equity shares	% of post-Preferential Issue equity and voting share capital	No. of equity shares	% of post-Preferential Issue equity and voting share capital	
Acquirer	1,295,050	32.12%	1,719,713	28.63%	3,014,763	50.19%	
CKG*	1,234,438	30.62%	255,487	4.25%	1,489,925	24.80%	
Other public shareholders	1,502,008	37.26%	-	-	1,502,008	25.01%	
Total	4,031,496	100.00%	1,975,200	32.88%	122,46	6,006,696	100.00%

- *MBK and PBC have agreed for subscription to 146,767 and 108,720 equity shares of Rs. 10 each representing 2.44% and 1.81% respectively, of post-Preferential Issue equity and voting share capital of CDL.
- The Preferential Issue was duly authorized by the Board of Directors of CDL at the meeting held on December 14, 2009. At the same meeting, the Board of Directors of CDL also authorized the convening of an Extraordinary General Meeting ("EGM") of the equity shareholders of CDL on January 13, 2010 to approve the Preferential Issue.
- At the EGM held on January 13, 2010, the shareholders of the Target Company approved the Preferential Issue by way of a special resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions. CDL has received the in-principle listing approval from the BSE on January 15, 2010 for the Preferential Issue. Subsequently, on January 21, 2010, the Board of Directors of CDL allotted 1,719,713 equity shares of Rs. 10 each under the Preferential Issue to the Acquirer and 255,487 equity shares of Rs. 10 each to CKG.
- On completion of the Preferential Issue, the post issue voting equity capital of CDL is Rs. 60,066,960 comprising of 6,006,696 equity shares of Rs. 10 each ("Fully Expanded Voting Equity Capital"). The paid-up equity and voting capital of CDL prior to the Preferential Issue was Rs. 40,314,960 which consisted of 4,031,496 equity shares of Rs. 10 each. The fully paid up equity shares of Rs. 10 each of CDL are hereinafter referred to as the "Shares".
- In addition to the SSA, the Acquirer and CKG have entered into a Shareholders Agreement dated January 21, 2010 (the "SHA") which sets out, inter-alia, the conferment of management rights on the Acquirer and also certain understandings relating to the respective shareholdings of the Acquirer and CKG in the equity share capital of CDL. Following is a summary of the key terms of the SHA:

- The Acquirer, MBK and PBC have agreed to subscribe to 1,719,713, 146,767 and 108,720 Shares respectively at the Subscription Price, for an aggregate consideration of Rs. 106,622,206, Rs. 9,099,554 and Rs. 6,740,640 respectively. The issue and allotment of the Shares to EXEDY and CKG shall be effected simultaneously.
- The subscription to the said Shares is subject to certain conditions precedents like obtaining the statutory approvals under the applicable provisions of law and remittance of the consideration amount by the Acquirer, MBK and PBC to CDL, etc.
- Parties have provided customary representations & warranties and indemnities to each other.
- EXEDY has agreed to comply with all provisions of the Takeover Code and acquire all the equity shares to be accepted under the Offer. CKG has agreed to cooperate with the Acquirer to ensure compliance with SEBI Takeover Code.
- The Acquirer and CKG have agreed that in the event EXEDY is unable to make the Public Announcement for any reason and the acquisition of the Shares under the SSA cannot be given effect consequent to the provisions of the SEBI Takeover Code, then the Acquirer and CKG shall, in good faith, endeavour to agree upon the manner in which Shares held are to be dealt with, so as not to give effect to the provisions of the SSA for the subscription of the Shares contrary to the provisions of the SEBI Takeover Code and in this matter approach regulators for guidance, if required.

- Following are the salient features of the SHA:
 - Upon completion of the Offer:
 - The board of directors of CDL shall consist of not more than 8 directors of which CKG shall be entitled to nominate 2 directors as long as CKG's holding is not less than or equal to 24.80% of the equity capital of CDL and the Acquirer shall be entitled to nominate 2 directors as long as its holding is more than or equal to 50.19% of the equity capital of CDL.
 - The Acquirer and CKG shall constitute CDL. (i) to appoint an executive chairman as nominated by the Acquirer; (ii) to appoint two full time managing directors one nominated by each of the Acquirer and CKG; (iii) to constitute a managing committee comprising of executive chairman and two managing directors with the powers and authorities as set out in the SHA and (iv) MBK shall be the executive chairman with a term of 3 years after the date of appointment.
 - The Acquirer and CKG shall have the right to transfer all or any portion of the Shares of CDL or create any third party interest in the Shares, subject to first right of refusal of the other party, as outlined in the SHA. However, this restriction shall not apply if the Acquirer is required to divest its shareholding in the Target Company for purposes of compliance with the SEBI (Delisting of Securities) Regulations, and/or clause 40A of the listing agreement entered into by CDL with the BSE, post the Offer.

- EXEDY shall pay to CKG a lump sum of Rs. 200 Mn as control premium in consideration of CKG agreeing to support and cooperate in causing CDL to take all steps for securing the preferential allotment of Shares to EXEDY such that the shareholding of EXEDY in CDL increases to 50.19% of the post-Preferential Issue paid up equity share capital of CDL and for ceding control of CDL to EXEDY.
- Subject to shareholder's approval and fulfilling other statutory requirements, the Acquirer and CKG have agreed to change the name of CDL to EXEDY India Limited within 6 months from the date of completion of the Offer.
- EXEDY has agreed to indemnify the CKG against any liabilities, which CKG may incur as a result of non observance or non compliance by EXEDY with the provisions of the SEBI Takeover Code. Provided that the obligations of EXEDY under this clause are conditional upon CKG rendering to EXEDY cooperation, in relation to any claims or circumstances which give rise to such liabilities.
- The SHA shall be effective and binding on the Acquirer and CKG as long as they are the shareholders of CDL. Prior to the SSA and SHA, the Acquirer has also entered into a control premium escrow agreement with CKG and Citibank N.A. (the "Control Premium Escrow Agreement"). Pursuant to the said agreement, the Acquirer deposited Rs. 200 Mn with Citibank N.A., acting through its branch at Bandra East Mumbai, as the escrow agent. As provided in the Control Premium Escrow Agreement, the escrow agent would handover the control premium amount to CKG (represented by MBK and PBC) upon the issue and allotment of 1,719,713 Shares by CDL to the Acquirer and subsequent credit of such Shares in the demat account of the Acquirer.
- Other than through the Preferential Issue, the Acquirer has neither acquired nor has been allotted any Shares of the Target Company in the last 12 months. The Manager to the Offer does not hold any Shares in the Target Company, as on the date of this PA.
- This Offer is being made in terms of, amongst others, Regulations 11 and 12 of the SEBI Takeover Code. Upon completion of the Preferential Issue under the SSA, the Acquirer's stake has increased to 50.19%. After the completion of the Offer, the Acquirer's stake would be between 50.19% and 70.19%, depending on the Offer response. CKG shall continue to hold 24.80% post the Offer, and in terms of the SHA, the Acquirer and CKG shall co-operate on various matters relating to management control and policy decisions relating to the Target Company. Moreover, the preferential allotment and the consequent acquisition of Shares by the Acquirer in the Target Company would become possible pursuant to CKG exercising their voting rights in a manner that would enable the Acquirer to acquire control over the Target Company. Therefore, although CKG is not acting in concert for purposes of this Offer, out of abundant caution, constituents of CKG shall be treated as persons deemed to be acting in concert with the Acquirer in connection with exercising control over the Target Company. The SSA has resulted in the equity stake of the Acquirer on a standalone basis going up from 32.12% to 50.19%. Consequently, this Offer is made pursuant to Regulation 11(1) of the SEBI Takeover Code. The Acquirer's stake taken together with CKG, who are deemed to be acting in concert has gone up from 62.74% to 74.99%, and under these circumstances, this Offer could also be regarded as being made pursuant to Regulation 11(2) of the SEBI Takeover Code.
- The Offer is for acquisition of 1,201,340 Shares (the "Offer Size") from the existing shareholders of CDL (other than CKG) representing 20% of the Fully Expanded Voting Equity Capital of CDL, at a price of Rs. 178.50 per Share (Rupees One Hundred Seventy Eight and paise Fifty only), payable in cash (the "Offer Price"). This Offer is not subject to any minimum level of acceptance.

- Offer Price:**
 - The Shares are listed on the BSE. Based on the information available, the Shares are frequently traded on the BSE and consequently, the Offer Price of Rs. 178.50 per Share is justified in terms of Regulation 20(4) of the SEBI Takeover Code, since it is higher than the highest of the following:
 - Effective Negotiated Price under the SSA & SHA (Please refer Note 1 below) : Rs. 178.30
 - Highest price paid by the Acquirer for acquisitions including by way of allotment in public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement : Rs. 62 per Share
 - The average of the weekly high and low of closing prices of the Shares on BSE of the Target Company for the 26 weeks preceding the date of the Board Meeting authorising the Preferential Issue (December 14, 2009) : Rs. 61.06 per Share
Source: www.bseindia.com
- Note 1: EXEDY has agreed to pay a lump sum of Rs. 200 Mn to CKG, as 'control premium' in consideration of CKG agreeing to support and cooperate in causing CDL to take all steps for securing the preferential allotment of Shares to EXEDY such that the shareholding of EXEDY in CDL increases to 50.19% of the Fully Expanded Voting Equity Capital of CDL and for ceding control of CDL to EXEDY. This payment indirectly constitutes the price being paid for the acquisition by the Acquirer. The effective negotiated price per share acquired by the Acquirer is the total amount paid by the Acquirer (i.e. towards subscription to Preferential Issue and the control premium) divided by the total number of Shares being acquired, which works out to Rs. 178.30 per Share.
- If the Acquirer acquires any Shares after the date of this PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the shares accepted under the Offer.
- To the extent of the Offer Size and in accordance with this PA and the Letter of Offer to be sent to the shareholders of the Target Company (the "Letter of Offer"), the Shares of the Target Company that are validly tendered & accepted pursuant to this Offer are proposed to be acquired by the Acquirer. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the SEBI Takeover Code.
- This is not a competitive bid.

- Information about the Acquirer**
 - EXEDY (www.exedy.com) was incorporated on July 1, 1950 under the laws of Japan as Daikin Manufacturing Company Limited and subsequently the name was changed to the present name on August 1, 1995. The head / registered office of EXEDY is situated at 1-1-1, Kidamotoyama, Neyagawa-shi, Osaka 572-8570, Japan, Tel. No. +81-72-822-1152, Fax. No. +81-72-822-7552.
 - EXEDY manufactures drivetrain products for automobiles, industrial vehicles, and construction machinery. EXEDY has 32 affiliate companies, including 27 subsidiaries, operating in 15 countries. EXEDY and its consolidated subsidiaries operate in three business segments: manual automotive drivetrain operations, automatic automotive drivetrain operations and others. The manual automotive drivetrain segment manufactures and sells clutch discs, clutch covers, flywheels and other manual transmissions. The automatic automotive drivetrain segment is engaged in the manufacture and sale of torque converters and wet friction clutch plates. The other segment consists of industrial machine drivetrain operations, i.e. the manufacture and sale of powershift transmissions, and other operations including the sale and manufacture of clutches for motorcycle, plants and other facilities.
 - Presently, the entire issued and subscribed equity share capital of EXEDY consists of 48,593,736 equity shares aggregating Japanese Yen 8,284 Mn (Rs. 4,159 Mn). The equity shares of EXEDY do not have any face value. (One JPY = Rs. 0.502 as on January 21, 2010. Source: www.rbi.org.in)
 - EXEDY is a professionally managed company. The shares of EXEDY are widely held by institutional and individual shareholders. Hence, there are no identified promoters or controlling shareholders of EXEDY. The shareholding pattern of EXEDY as on November 30, 2009 was as follows:

Shareholder's Category	Number of Shares Held	% of Shares Held
Promoters	Nil	Nil
Foreign Institutional Investors, Banks & Financial Institutions	22,796,533	46.91%
Public (including bodies corporate, individuals and treasury stocks)	25,797,203	53.09%
Total number of equity shares	48,593,736	100.00%

Aisin Seki Co. Ltd. (directly & through its subsidiaries) holding 16,230,400 equity shares representing 33.40% of the issued and subscribed equity share capital of EXEDY, is the largest shareholder.

- As on the date of Public Announcement, the Board of Directors of EXEDY comprises Mr. Haruo Shimizu, Mr. Etsuji Terada, Mr. Hisayasu Maseoka, Mr. Masayuki Matsuda, Mr. Yoshitsugu Sakamoto, Mr. Katsumi Shimizu,

- Mr. Hidehito Hisakawa and Mr. Mikio Natsume. None of these persons is on the board of the Target Company. Mr. Hidehito Hisakawa resigned from the board of the Target Company with effect from December 14, 2009.
- The equity shares of EXEDY are currently listed on Tokyo Stock Exchange (TSE) and Osaka Securities Exchange (OSE) in Japan. The closing price of the equity shares of EXEDY on TSE and OSE, was Japanese Yen 1,925 on January 21, 2010.
- Consolidated audited financials of EXEDY for the year ended March 31, 2009 and March 31, 2008 are as follows:

Particulars	Japanese Yen (in Mn)		Rs. (in Mn)	
	FY 2009	FY 2008	FY 2009	FY 2008
Total Income	167,307	188,677	83,988	94,716
Profit Before Tax	8,949	20,257	4,264	10,169
Profit after tax before minority interest	6,012	12,730	3,018	6,390
Profit after tax after minority interest	5,441	11,658	2,731	5,852
Paid up equity share capital	8,284	8,284	4,159	4,159
Networth	103,375	100,723	51,894	50,563
Earnings Per Share ("EPS") (Rs.)	112.00	239.95	56.22	120.45
Return on Networth (%)	5.26%	11.57%	5.26%	11.57%
Book value per equity share (Rs.)	2,127.33	2,072.76	1,067.91	1,040.52

(One JPY = Rs. 0.502 as on January 21, 2010. Source: www.rbi.org.in)

- The price to earnings ratio based on FY 09 EPS and the closing price on TSE and OSE, respectively on January 21, 2010 is 17.19.
- Information about the Target Company**
 - (The information under this section has been sourced from CDL and from public sources)
 - CDL was originally incorporated as CeeKay Automotive Products Limited on November 3, 1973, under the Companies Act, 1956 in the State of Maharashtra. Subsequently, the name was changed to its present name on August 9, 1987. The registered office of CDL is situated at Plot No. L-4, MIDC Industrial Estate, Chikalthana, Aurangabad – 431 210, Maharashtra, India and the corporate office is situated at N.K.M. International House, 4th Floor, 17B, Babubhai M. Chinal Marg, Mumbai – 400 020, Maharashtra, India.
 - CDL manufactures, in technical collaboration with EXEDY, a range of auto clutch products and components like disc assemblies, clutch plates/discs and drive transmission. Its products are being used in a range of vehicle applications from cars to heavy commercial vehicles.
 - The Shares of CDL are currently listed on the BSE.
 - The present authorised share capital of CDL comprises 9,000,000 Shares aggregating to Rs. 90 Mn and 100,000 preference shares of Rs 100 each, aggregating to Rs. 10 Mn. The subscribed and paid up capital of the Target Company prior to the Preferential Issue comprised of 4,031,496 Shares aggregating Rs. 40.32 Mn. The present subscribed and paid up capital of the Target Company comprises of 6,006,696 Shares aggregating Rs. 60.67 Mn. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments. The shareholding of allottees under the SSA, is subject to lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - Audited financials of CDL for the year ended March 31, 2009 and March 31, 2008 are as follows:

Particulars	Rs. in Mn	
	FY 2009	FY 2008
Total Income	1070.26	1025.73
Profit after tax	(74.78)	26.69
Paid up equity share capital	40.32	40.32
Networth	113.90	187.72
Earnings per share (Rs.)	(18.55)	6.61
Return on Networth (%)	Negative	14.22%
Book value per equity share (Rs.)	28.25	46.56

- Based on the periodic quarterly disclosures to the BSE, CDL has recorded total income of Rs. 1,109.57 Mn for the nine months ended on December 31, 2009. The net loss for the same period was Rs. 9.95 Mn.
- As on the date of Public Announcement, the Board of Directors of CDL comprises Mr. Mahesh B. Kohari (Chairman and Managing Director), Mr. Pradeep B. Chinal (Managing Director), Mr. Hideshi Shiba (nominee of EXEDY and who is also designated as Managing Director), Mr. Homi C.H. Bhabha, Mr. Shreekrant V. Mehta and Mr. Bharat H. Patel.
- Reasons for the Acquisition and Future Plans about Target Company**
 - This Offer is being made, in compliance with Regulations 11 and 12 and other applicable provisions of the SEBI Takeover Code, for the purpose of substantial acquisition of Shares and voting rights, as disclosed earlier, accompanied with change in control of the Target Company, thereby enabling the Acquirer to exercise control over the Target Company through, inter-alia, the right to appoint directors and by virtue of its shareholding. The Acquirer will seek reconstitution of the Board of Directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. Acquirer intends to change the name of the Target Company to "EXEDY India Limited", at a later date. On completion of the Offer, the Acquirer along with CKG, will be classified as promoters of the Target Company.
 - The Acquirer would continue to support the existing business of the Target Company and also support the Target Company's Board of Directors in their endeavour to develop the business. The Target Company proposes to use the proceeds of the Preferential Issue to meet its investments/capital expenditure for existing as well as new growth opportunities. The Acquirer intends to help grow the existing business of the Target Company and strengthen its position in the industry.
 - As of the date of this PA, the Acquirer plans to continue the present business of the Target Company and does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business of the Target Company. Further, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.
 - The Acquirer is engaged in a similar line of business / operations as that of the Target Company. However, no material impact is expected on its business and operations as a result of the acquisition and the Offer.
- Statutory and Other Approvals required for this Offer**
 - The Offer is subject to the approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") as amended from time to time, for the acquisition / transfer of Shares tendered pursuant to this Offer. The Acquirer will shortly file an application with the RBI for its approval for the acquisition / transfer of Shares tendered pursuant to the Offer.
 - To the best of the knowledge and belief of the Acquirer, as on the date of the PA, other than the above, no statutory approvals are required to acquire the Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer will not proceed with the Offer in the event that such statutory approvals that are required, are refused.
 - To the best of the knowledge and belief of the Acquirer, as of the date of this PA, the Acquirer does not require any approvals from financial institutions or banks for the Offer.
 - The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. It may be noted that if the Acquirer is unable to make payment to the shareholders who have accepted the Offer within the said period of 15 days, due to non-receipt of statutory approvals, the Securities and Exchange Board of India ("SEBI"), if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer, has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders and the Acquirer shall pay interest for the delay, to the shareholders who have accepted the Offer, at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable.
- Disclosure in terms of Regulation 21 of the SEBI Takeover Code**
 - If, pursuant to this Offer, the public shareholding is found to be reduced below the minimum level required as per the listing agreement entered into by the Target Company with the BSE, (the "Listing Agreement"), as a result of acquisition of Shares under (i) the Preferential Issue; and/or (ii) any acquisition of shares from open market; and/or (iii) the Offer, the Acquirer shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement, within the time period stipulated therein. Further, the Acquirer may evaluate options to delist the Target Company in the next three years. Such a decision if taken will be based on various factors like the financial position of the Acquirer, market price of the Target Company, the regulatory framework for delisting the post offer shareholding etc., after the completion of the Offer. No firm decision regarding any delisting proposal after the closure of the Offer, has been presently taken by the Acquirer.
- Financial Arrangements**
 - The total financial resources required for this Offer, assuming full acceptance of the Offer Size at the Offer Price will be Rs. 214,439,190 (Rupees Two Hundred and Fourteen Million, Four Hundred and Thirty Nine Thousand and One Hundred Ninety Only) ("Maximum Consideration"). The Acquirer proposes to fund the Offer through internal accruals and has made firm arrangements for the Maximum Consideration.
 - In accordance with Regulation 28 of the SEBI Takeover Code, EXEDY has created an escrow account by making a cash deposit of Rs. 60,250,000 (Rupees Sixty Million, Two Hundred and Fifty Thousand only) in a bank account (the "Escrow Account") with Citibank N.A. at their branch located at Plot C-61, Bandra-Kurla Complex, G-Block, Bandra (East), Mumbai 400051. The cash deposit in the Escrow Account is more than 25% of the Maximum Consideration assuming full acceptance. The Manager to the Offer has been authorised to realize the value of the Escrow Account in terms of the provisions contained in the SEBI Takeover Code.
 - By way of demonstration of its ability to fulfill the financial obligations under the SEBI Takeover Code, the Acquirer has further procured a bank guarantee (the "Bank Guarantee") in favour of the Manager to the Offer. The Bank Guarantee is issued by Citibank N.A. acting through its branch situated at Jeevan Vihar, 3 Sansad Marg, New Delhi 110 001. The Bank Guarantee is valid till July 14, 2010 and is for a sum of Rs. 180,750,000 (Rupees One Hundred and Eighty Million, Seven Hundred and Fifty Thousand Only).
 - In addition, the Bank of Tokyo-Mitsubishi UFJ Limited, Osaka Main Office, Osaka, Japan has certified valid their letter dated January 19, 2010 that the Acquirer has adequate financial resources to fulfill all financial obligations arising out of the Offer.
 - In view of the above, the Manager to the Offer is satisfied that firm arrangements for funds, required to implement the Offer at the Offer Price, through verifiable means, are in place to fulfill the financial obligations of the Acquirer under the Offer.
- Other terms of this Offer**
 - The Acquirer will acquire the Shares tendered in the Offer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared therefor.
 - The Offer is not conditional on any minimum level of acceptance by the shareholders of the Target Company. During the Offer period, the Acquirer may purchase additional Shares in accordance with the SEBI Takeover Code.
 - A Letter of Offer, specifying the detailed terms and conditions of this Offer, along with a Form of Acceptance-cum-Acknowledgement (the "Form of Acceptance") and a Form of Withdrawal, will be mailed to all the shareholders of the Target Company (other than the Acquirer and CKG) whose names appear on the register of members of the Target Company, and to the beneficial owners of the equity shares of the Target Company whose names appear on the beneficial records of the respective depositories, at the close of business hours on Friday, February 5, 2010 (the "Specified Date"). All the shareholders (other than the Acquirer and CKG) who own Shares anytime before Saturday, April 3, 2010 (the "Offer Closing Date") are eligible to participate in the Offer.
 - Shareholders who are holding Shares in physical form and wish to tender their equity shares will be required to send the duly completed Form of Acceptance, original Share Certificate(s) and transfer form(s) duly signed & witnessed to Link Intime India Private Limited, acting as the Registrar to the Offer (the "Registrar to the Offer"), at any of the addresses mentioned below, in accordance with the instructions to be specified in the Letter of Offer and the Form of Acceptance so that the same are received on or before the close of business hours on the Offer Closing Date. In case of registered shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.
 - For shareholders holding Shares in dematerialised form, the Registrar to the Offer has opened a special depository account. Beneficial owners who wish to accept the Offer would be required to transfer the Shares in an off-market mode in favour of the special depository account. Such beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Shares in the special depository account:

DP Name	Ambit Capital Private Limited
DP ID / Client ID	1204750000040272
Account name	CeeKay Daikin Limited - Open Offer - Operated by - Link Intime India Private Limited
Depository	Central Depository Services (India) Limited ("CDSL")

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with Central Depository Services (India) Limited ("CDSL"). NSDL and CDSL are collectively referred to as Depositories.

- Beneficial owners holding Shares in the dematerialised form, who wish to accept the Offer, will be required to send their duly completed Form of Acceptance to the Registrar to the Offer at any of the addresses mentioned below so that the same are received on or before the close of business on the Offer Closing Date. The Form of Acceptance should be sent along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode with the above details filled in favour of special depository account mentioned above and duly acknowledged by their DP.
- In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to have been accepted. Shareholders holding dematerialised Shares and tendering them in the Offer should ensure the credit of the Shares in favour of the special depository account mentioned above before the close of business hours on the Offer Closing Date.
- Details of collection centers where shareholders desirous of tendering acceptances can submit their completed Forms of Acceptance, along with the necessary document, in terms of this PA and Letter of Offer:

Sl. No.	City	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd. C-13, Panatal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai-400078	Nilesh Chalke	nilesh.chalke@linkintime.co.in	022-25960320	022-25960329	Hand Delivery & Registered Post
2	Mumbai	Link Intime India Pvt. Ltd. 203, Davor House, Next to Central Camera, D.N Road, Fort Mumbai - 400 001	Vivek Limaye	vivek.limaye@linkintime.co.in	022-22694127	022-25960329	Hand Delivery
3	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi - 110028.	Swapna Naskar	delhi@linkintime.co.in	011-41410592/9394	011-41410591	Hand Delivery
4	Ahmedabad	Link Intime India Pvt. Ltd. 211 Sudarshan Complex, Near Milhakhal, Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	ahmedabad@linkintime.co.in	079-26465179	079-26465179 (Telefax)	Hand Delivery
5	Aurangabad	C/o Yash Investments, Shop no 6, Amodi Complex, Juna Bazar, Aurangabad 431001	Anand	anand_kjuri@yashku.com	02432-5641031	Not Available	Hand Delivery

Working Hours: Monday to Friday 10 AM to 1 PM, 2 PM to 5 PM, Saturday 10 AM to 1 PM. Holidays: Sundays and Bank Holidays. Shareholders who cannot hand deliver their documents at the collection centers referred to above may send the same by Registered post / speed post, at their own risk, to the Registrar to the Offer at their office at Link Intime India Private Limited, C-13, Panatal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai – 400078 and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

- In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website <http://www.sebi.gov.in> or obtain a copy of the same by writing to the Registrar to the Offer at the collection centers set out in paragraph above clearly marking the envelope "CeeKay Daikin Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares.
- In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may also submit their acceptance on plain paper, as follows:
 - Shareholders holding Shares in physical form should state their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s).
 - Beneficial owners should state their name, address, DP name, DP ID, beneficial account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant.
 - The acceptance should be signed by all the shareholders as per the registration details available with CDL / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "CeeKay Daikin Limited - Open Offer" on or before the close of business on the Offer Closing Date.
- In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the close of business hours on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the Offer Closing Date.
- In case any person has lodged Shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct the Target Company and/or its registrar & transfer agents to send the transferred equity share certificate(s) directly to the collection centre located at Link Intime India Private Limited, C-13, Panatal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai – 400078. The person should ensure that the equity share certificate(s) reach the designated collection centre on or before the close of business hours on the Offer Closing Date. No indemnity is required from unregistered equity shareholders.
- The Acquirer shall accept a maximum of 1,201,340 Shares from the shareholders who have validly tendered the Shares under the Offer (i.e. Shares and/or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from the Offer Closing Date