

YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

Registered Office: No.16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore - 560 048.

Tel No: 080 – 2845 3810 Fax No: 080 – 2845 3810

Website: www.yukenindia.com E mail Id: hmn_rao@yukenindia.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with, Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), that the Special Business set out in the resolution appended below is proposed to be passed as Special Resolution by way of postal ballot / electronic voting (“**e-voting**”). The explanatory statement pertaining to the said resolution setting out the facts concerning the items and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto along with a postal ballot form (the “**Form**”) for your consideration.

The Board of Directors, at its meeting held on October 19, 2016, has appointed Mr. Abhishek Bharadwaj A B, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours, i.e., 5:00 p.m. on **Tuesday, January 03, 2017**.

In compliance with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching the Form. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to this Notice and instructions on the overleaf of the Form.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman and Managing Director.

The result of the voting conducted through postal ballot and e-voting would be announced by a Director or the Company Secretary of the Company on **Wednesday, January 04, 2017** at the Registered Office of the Company.

The said result would be displayed at the Registered Office of the Company, intimated to the BSE Limited and Ahmedabad Stock Exchange Limited, where the Company’s shares are listed, published in the newspapers and displayed on the Company’s website, viz. www.yukenindia.com and the website of Karvy Computershare Private Limited viz. <https://www.evoting.karvy.com>, along with the Scrutinizer’s report.

Item No. 1: Approval for sale/transfer of the undertaking of the Company pertaining exclusively to foundry business of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 180(1)(a) and all other relevant provisions of the Companies Act, 2013 (“**Act**”), if any and the rules framed thereunder (including, any statutory modification(s) or

amendment thereto or re-enactment thereof); the applicable law (including, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")); the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines and subject to such terms and conditions as may be specified by any of them while granting any such approvals and which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include a duly constituted committee thereof and any person authorised by the Board in this behalf), the consent, authority and approval of the members of the Company, including confirmation of actions taken hitherto, be and is hereby accorded, to the Board to sell, transfer, dispose, assign or cause to be sold, assigned, transferred and delivered the undertaking of the Company pertaining exclusively to the Foundry Business situated at No.16-C, Doddaanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru - 560048 and also at Sy no. 52, Khata NO. 84/171, 85/172, Hedegabanahalli Village, Madivala Post, Malur Taluk, Kolar District, Bengaluru - 569130 ("**Foundry Business**"), as a going concern on a slump sale basis or in any other manner to M/s. Grotek Enterprises Private Limited, Bengaluru ("**Grotek**") w.e.f October 1, 2016 at such price payable in cash and/or securities and/or otherwise for such consideration not being lower than book value or such other amount as may be decided by the Board of Directors of the Company based on the report of an Independent Valuer, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of Directors (which shall include a Committee of Board of Directors that may be empowered or constituted for this purpose) of the Company may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale and transfer of the **Foundry Business**; to undertake all actions and deeds as may be required in relation to the aforesaid sale/s, including determination of the purchaser/s, manner and mode of sale, consideration for sale, timing of sale, and related matters; finalizing, varying and settling the terms and conditions of the sale and transfer of the foundry business; to settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; to negotiate and finalize all relevant transaction documents (including providing such representations, warranties, indemnities and covenants, as may be required) and to execute, deliver and perform all such transaction documents, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

**By order of the Board
For Yuken India Limited**

Registered Office:

No.16-C, Doddaanekundi Industrial Area, II Phase,
Mahadevapura, Bengaluru - 560048
November 25, 2016

C P Rangachar
Managing Director
DIN:00310893

NOTES:

1. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 (“Act”), read with, Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
2. The Company has appointed Mr. Abhishek Bharadwaj A B, Practicing Company Secretary to act as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
3. The postal ballot notice is being sent to all the Members, whose names appear in the Register of Members / Statements of beneficial ownership maintained by the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on the record date, i.e., on close of business hours on November 25, 2016. A person who is not a Member on the record date should treat this notice, for information purposes only.
4. In accordance with the provisions of Section 101 of the Act, read with, Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, this postal ballot notice is being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their Depository Participants (DP) (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their e-mail address will receive this postal ballot notice along with the postal ballot form through post.
5. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
6. In compliance with the provisions of Section 110 of the Act, read with, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with Karvy Computershare Private Limited (“Karvy”) for facilitating e-voting to enable the Members to cast their votes electronically. Please note that e-voting is optional.
7. Voting period commences on **Monday, December 05, 2016** and ends on **Tuesday, January 03, 2017**.
8. Kindly note that the Members can opt for only one mode of voting i.e., either by postal ballot or e-voting. If the Members opt for e-voting, then they should not vote by postal ballot and vice versa. However, in case Members cast their vote by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by postal ballot will be treated as invalid.
9. In case a Member is desirous of obtaining postal ballot in printed form or a duplicate one, the Member may write to the Company or send an e-mail to evoting@yukenindia.com. The Company shall forward the same along with self-addressed pre-paid postage Business Reply Envelope to the Member.
10. The postal ballot notice is also being uploaded on the Company’s website viz., www.yukenindia.com and of Karvy viz., <https://www.evoting.karvy.com>.
11. All documents referred to in this postal ballot notice and explanatory statement setting out material facts are open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days except Saturdays, Sundays and national holidays, from the date hereof upto **January 03, 2017**.
12. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on November 25, 2016. The special resolution mentioned herein shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the special resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

Item No. 1:

Approval for sale/transfer of undertaking of the Company pertaining exclusively to the Foundry business of the Company situated at No.16-C, Doddaanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru - 560048 and also at Sy no. 52, Khata NO. 84/171, 85/172, Hedegabanahalli Village, Madivala Post, Malur Taluk, Kolar District, Bengaluru - 569130 ("Foundry business")

With a view to focus exclusively on Non-Foundry Business of the Company, the Board has evaluated various options and finally decided to sell/transfer the Foundry Business to a separate entity in the overall best interest of all the stakeholders so that both the businesses would be exclusively managed with specific focus on them. In this regard the Board of Directors of the Company, at its meeting held on September 21, 2016 has, subject to the necessary approvals, decided to sell / dispose off the Foundry Business to M/s. Grotek Enterprises Private Limited, Bengaluru ("GROTEK") on a slump sale basis as a going concern w.e.f October 1, 2016 at a value determined by the advisors appointed by the both the parties for this purpose.

In the event of transfer of Foundry business to Grotek, the Company will also invest into 100% Equity capital of Grotek.

In terms of Section 180(1)(a) of the Companies Act, 2013 (the "Act"), the Board may sell or dispose the whole of the undertaking or substantially the whole of the undertaking of the company with the consent of the Members by way of a special resolution. As per the explanation to Section 180(1)(a), "undertaking" is construed to mean an undertaking where the investment of the company exceeds 20% of the net worth of the company as per the audited balance sheet of the preceding financial year or if the undertaking generated 20% of the total income of the company during the previous financial year.

As per the certificate received by the Company from a Practicing Chartered Accountant, the Foundry business constitute an 'undertaking' in terms of Section 180(1)(a) of the Act. Hence, it is proposed that shareholder consent by way of a special resolution be obtained for the proposed transfer and sale in terms of and pursuant to Section 180(1)(a) of the Act.

Mr. H M Narasinga Rao, Chief Financial Officer (CFO) of the Company and whole-time Key managerial personnel (KMP) has disclosed that he is Director and also holding 5000 Equity shares of Rs. 10/- each in Grotek.

None of the Directors and key managerial personnel except Mr H M Narasinga Rao, of the Company or their respective relatives are concerned or interested in the said Special Resolution, except to the extent of their respective shareholdings in the Company, if any.

Basis the foregoing, assent (FOR) or dissent (AGAINST) of the shareholders of the Company in respect of the aforementioned special resolution, is being sought through postal ballot / e-voting.

The Board recommends passing of this resolution.

By order of the Board

For Yuken India Limited

C P Rangachar

Managing Director

DIN:00310893

YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

Registered Office: No.16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore - 560 048.

[Tel No: 080 – 2845 3810] [Fax No: 080 – 2845 3810]

[Website: www.yukenindia.com] [E mail Id: hmn_rao@yukenindia.com]

POSTAL BALLOT FORM

(Please read carefully the instructions printed overleaf before exercising your vote)

Serial No.:

Name and Registered address of the Sole/first named member	
Name(s) of the joint member(s) if any:	
Registered folio No. / DP & client ID No. (* Applicable to members holding shares in dematerialised form)	
Number of Equity shares held:	

I / We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot/remote e-voting (“e-voting”) for the business stated in the Notice dated 25th November 2016 of the Company by conveying my/our assent or dissent to the said resolutions by placing a tick (√) mark in the appropriate box below:

S No.	Description	No. of Equity shares held	I/we assent to the resolution (For)	I/we dissent to the resolution (Against)
1	Pursuant to Section 180 (1) (a) of The Companies Act, 2013, approval by special resolution for sale/transfer of undertaking of the Company pertaining exclusively to the Foundry business of the Company			

Place :

Date :

(Signature of the Member)

Last date for receipt of Postal Ballot Form by the Scrutinizer **Tuesday, January 03, 2017. (05.00 p.m. IST)**

Electronic Voting Particulars

EVEN (ELECTRONIC VOTING EVENT NUMBER)	USER ID	PASSWORD / PIN
«EVENT_NO»	«USER_ID»	«PWD»

Note: Please read instructions carefully before exercising your vote.

Instruction for Voting:

A. Voting through Physical Postal Ballot Form

1. A Member desiring to exercise vote by postal ballot shall complete the enclosed postal ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the closed self-addressed prepaid postage Business Reply Envelope. Postage charges will be borne and paid by the Company. However, in case a Member sends the postal ballot by courier or registered post or delivers it in person at his expense, such postal ballots will also be accepted.
2. The postal ballot form, duly completed and signed by the Member(s) should be returned in the enclosed self-addressed pre-paid postage Business Reply Envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on **Tuesday, January 03, 2017**. Any postal ballot form received after the said date shall be treated as if the reply from the Member(s) has not been received. No other form or photo copy of the postal ballot form will be permitted/ accepted.

B. E-Voting Facility

In compliance with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), provisions of Section 108 of the Act, read with, the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to the postal ballot to all the shareholders of the Company. For this purpose, the Company has entered into an agreement with Karvy for facilitating e-voting to enable the shareholders to cast their votes electronically instead of dispatching duly filled postal ballot forms. E-voting is optional.

1. In case of Members receiving postal ballot intimation by e-mail from Karvy (applicable to members whose e-mail IDs are registered with the Company/Depository Participants):

- i. The said e-mail contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. Use the following URL for remote e-voting: [URL:https://evoting.karvy.com](https://evoting.karvy.com).
- iii. Enter the login credentials (Please refer to the User ID and initial password mentioned in the attendance slip/via e-mail forwarded through electronic notice).

User -ID	For shareholder(s)/beneficial owner(s) holding shares in demat form: - For NSDL: - 8 characters DP-ID followed by 8-digits client ID For CDSL: - 16 Digits Beneficiary ID For Members holding shares in Physical Form: - Folio Number registered with the Company
Password	Your unique password is printed on the AGM Attendance slip / via e-mail forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers

	in the exact way as they are displayed for security reasons.
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- iv. After entering the above details appropriately, click on Login.
 - v. You will reach the Password change menu wherein you are required to mandatorily change your password. the new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @ etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, e-mail ID etc., on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to login again with the new credentials.
 - vii. On successful login, system will prompt to select the “EVEN” (E-voting Event Number) i.e., Yuken India Limited (the number is provided in the Attendance Slip / via e-mail forwarded through the electronic notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
 - viii. On the voting page, you will see Resolution Description against the same and enter the number of shares as on the cut-off date November 25, 2016 under FOR/AGAINST or alternately you may enter partially any number FOR and partially AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - ix. After selecting the Resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote click on “CANCEL” and accordingly modify your vote
 - x. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xi. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send the scanned copy (PDF format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@yukenindia.com or evoting@yukenindia.com with a copy to evoting@karvy.com.
2. In case a member receives physical copy of the notice (applicable to members whose e-mail IDs are not registered with the Company / Depository Participant(s) are requesting physical copy)
 - (i) Enter the login credentials (please refer to the user id and initial password mentioned in the attendance slip of the Notice.
 - (ii) Please follow all steps from Sl.No.1 (i) to (xi) above, to cast vote.
 3. The e-voting period commences on **Monday, December 05, 2016** at 9.00 AM and will end at 5.00 PM on **Tuesday, January 03, 2017**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25 November, 2016, may cast their vote electronically. The e-voting module will be disabled on **Tuesday, January 03, 2017**. at 5.00PM

Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the “downloads” section of <https://evoting.karvy.com>.
- (ii) If you are already registered with Karvy Computershare Pvt. Ltd. for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.

- (iv) the voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of November 25, 2016.
- (v) Mr. Abhishek Bharadwaj A B, Practicing Company Secretary (Membership No.FCS 8908) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (vi) the Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.yukenindia.com and on the website of Karvy Computershare Pvt. Ltd.

Electronic copy of the Notice of the Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the meeting inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.