

BOARD OF DIRECTORS**MR. OSAMU TANAKA – Chairman****MR. SHIRO HATTORI****MR. R SRINIVASAN****CAPT. N S MOHANRAM****Dr. PREMCHANDER****MR. C P RANGACHAR – Managing Director****MRS. VIDYA RANGACHAR****CHIEF FINANCIAL OFFICER****MR. H M NARASINGA RAO****COMPANY SECRETARY****MS. SRIDEVI CHINTADA****BANKERS****1. STATE BANK OF INDIA****2. BANK OF TOKYO MITSUBISHI UFJ LTD.****3. MIZUHO BANK LTD.****4. HDFC BANK LTD.****AUDITORS****M/S. DELOITTE HASKINS & SELLS**
Chartered Accountants**REGISTERED OFFICE AND WORKS****PB NO. 16,
WHITEFIELD ROAD,
WHITEFIELD,
BANGALORE - 560 066.****PLOT NO. 57, IDA IV PHASE,
PATANCHERU, MEDAKDIST,
HYDERABAD – 502 319.****NO. 6/13, INDUSTRIAL AREA,
KIRTI NAGAR, NEW DELHI – 110 015.****FOUNDRY DIVISION****NO. 16-C, DODDANEKUNDI INDUSTRIAL AREA,
II PHASE, MAHADEVAPURA,
BANGALORE – 560 048.****SY NO. 52, KHATHA NO. 84/171, 85/172,
HEDEGABANAHALLI VILLAGE,
MADIVALA POST, MALUR TALUK,
KOLARDIST – 569 130.****SALES OFFICES****26 A, COMMUNITY CENTRE,
MAYAPURI, NEW DELHI – 110 064.****INDRAPRASTHA, #46A, MADAN MOHAN
MALAVIYASARANI, GROUND FLOOR,
KOLKATA – 700 020.****H-4, ANSA INDUSTRIAL PREMISES,
SAKIVIHAR ROAD, SAKINAKA,
ANDHERI(E), MUMBAI – 400 072.****B-80, 2NDCROSS, 1STPHASE,
PEENYA INDUSTRIAL AREA,
BANGALORE – 560058.**

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NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the members of Yuken India Limited will be held at Woodlands Hotel Pvt. Ltd., No. 5, Raja Ram Mohan Roy Road, Bangalore – 560025 on 15th September, 2015 at 10.00 AM to transact the following business:

A. ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Osamu Tanaka (DIN: 03618881) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors and to fix their remuneration and to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions if any of the Companies Act, 2013 and rules made thereunder, and pursuant to the recommendations made by the Audit Committee of the Board of Directors of the Company and pursuant to the resolution passed by the members of the Company in its 38th Annual General Meeting held on 09th September, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S) as Auditors of the Company be and is hereby ratified to the effect that they shall hold office until the conclusion of Forty First Annual General Meeting of the Company to be held in the year 2017, and the Board of Directors be authorized to fix their remuneration for the year ending 31st March, 2016."

B. SPECIAL BUSINESS:

5. To appoint Mrs. Vidya Rangachar (DIN: 02612252) as a Director of the Company

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

"RESOLVED THAT Mrs. Vidya Rangachar (DIN: 02612252) who was appointed as an Additional Director of the Company on 30th March, 2015 in terms of Section 161 of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

6. To re-appoint Mr. CP Rangachar (DIN: 00310893) as the Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of section 196 and 197 of the Companies Act, 2013 ("Act") read with Schedule V thereto, and other applicable provisions if any, of the Act, or any statutory modifications or re-enactment thereof, the approval of shareholders be and is hereby accorded for the re-appointment of Mr. CP Rangachar (DIN: 00310893) as the Managing Director of the Company for a period of five years with effect from 01st May, 2015 and for payment of remuneration for the first 3 (three) years of his appointment upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary, proper and expedient to give effect to the above resolution".

REGISTERED OFFICE:

PB 16, Whitefield Road
Whitefield
Bangalore 560 066

By order of the Board

C P Rangachar
Managing Director

Place: Bangalore

Date: 09th May, 2015

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 11th September, 2015 to Tuesday, the 15th September, 2015 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.
4. Members are requested to intimate to the Company changes, if any, in their registered addresses at an early date.
5. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend through ECS. In case of any change in the bank particulars, kindly contact the respective depository accounts for effecting the changes.
8. Under section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 125 of the Companies Act, 2013, no claim shall lie against the Company or the said Fund, in respect of Individual amount/s which remained unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am and 1.00 pm up to the date of the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy Computer Share Private Limited.
- 11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address to facilitate easy and faster dispatch of all communications including Annual Report, Notices, Circulars etc., from the Company electronically.**
12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing the members facility to exercise their right to vote at the 39th Annual General Meeting by electronic means through e-voting services provided by Karvy Computer share Pvt. Ltd. Members whose names appear in the Register of Members as on 10th September, 2015, i.e., the date prior to the commencement of Book Closure are entitled to vote on the Resolutions set forth in this Notice.

PROCEDURE FOR E-VOTING

1. In case of member receives an e-mail from Karvy Computer Share Private Limited [applicable to members whose e-mail IDs are registered with the Company / Depository Participant(s)]
 - (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) To use the following URL for remote e-voting: <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.

- (iv) After entering the 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 Computer Share Private Limited 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 (10th September 2015) 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 of AGM (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 AGM).
 - (ii) Please follow all steps from Sl.No.1 (i) to (xi) above, to cast vote.
 3. The e-voting period commences on 12th September 2015 at 9.00 am and will end at 5.00 pm on 14th September 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September 2015, may cast their vote electronically. The e-voting module will be disabled on 14th September 2015 at 5.00 pm.

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 10th September 2015.
 - (v) Mr. Abhishek Bharadwaj A B, Practicing Company Secretary (Membership No. ACS 24229) 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 shall be declared on or after the AGM of the Company. 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. within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
13. Electronic copy of the Notice of the 39th Annual General 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 AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

Mrs. Vidya Rangachar has been appointed as an Additional Director on the Board of the Company on 30th March, 2015 in compliance with the provisions of section 149(1), 161(1) and 175 of the Companies Act, 2013 read with the rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49(II)(A)(1) of the Listing Agreement who shall hold the office of the Director upto the date of this Annual General Meeting.

The Company has received requisite notice from a member under section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Vidya Rangachar to be appointed as a Director liable to retire by rotation.

The detailed profile of Mrs. Vidya Rangachar, Directorships held by her in other companies is included separately in this Notice.

None of the Directors or KMP except Mr. C.P. Rangachar and Mrs. Vidya Rangachar is interested in this resolution.

Item No. 6

Since the previous term of Mr. C.P. Rangachar as the Managing Director of the Company had expired on 30th April, 2015, the Board of Directors has re-appointed him as the Managing Director for a further period of 5 years with effect from 01st May, 2015, subject to the approval of Members. Since he attained the age of 70 years, he is required to be re-appointed as the Managing Director with the approval of the shareholders of the Company.

Hence he is proposed to be re-appointed as the Managing Director of the Company for a further term of 5 years subject to the provisions of section 196, 197 and Schedule V of the Companies Act, 2013.

Terms of appointment:

1. Term of office will be from 01st May, 2015 to 30th April, 2020.
2. Remuneration for an initial period of 3 years will be paid as recommended by the Nomination and Remuneration Committee.

Information as required under Section (II)(B)(iv) of Part II of Schedule V:**I. General Information:****(1) Nature of industry**

The Company is carrying on the business of designing, manufacturing and supplying of oil hydraulics used in various industries.

(2) Date or expected date of commencement of commercial production

The Company commenced its commercial production on 1st May, 1978.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable**(4) Financial performance based on given indicators**

(Rs. in lakhs)

Particulars	2014-15	2013-14
Total Income	18,610	16,512
Total expenditure	17,677	15,591
Profit before interest, depreciation and tax	933	921
Finance cost	418	376
Depreciation	458	431
Profit before Exceptional items and tax	57	114
Exceptional items	-	201
Profit after Exceptional items & before tax	57	315
Provision for taxation (Net of deferred tax)	(16)	61
Profit after tax	73	254

(5) Foreign investments or collaborations, if any.

The Company has been established in collaboration with Yuken Kogyo Company Limited, Japan, who hold 40% equity of the Company.

II. Information about the appointee:**(1) Background details**

Mr. C P Rangachar is an Electrical Engineer from BITS, Pilani. He entered Plastics Business immediately after graduation. He had extensive training in Plastics Technology in Europe, US & Japan. He was involved in a wide range of activities including Technology Transfer, Capital Equipment and Collaborations.

He held / is holding the following positions in various organizations:

- Member of Industrial Development Bank of India - Southern Regional Advisory Committee during 1997- 99.
- Chairman of CII – Southern Region for the year 1998-99.
- Chairman CII Fluid Power Division.
- Chairman of CII - National Council for Small Industry; Plastics Institute; Fluid Power society etc.
- Past President of the Indian Machine Tool Manufacturers' Association [IMTMA].
- Organizer and Faculty for many Events, Seminars.
- Published several papers and articles in India & abroad.
- President, IMTMA Machine Tool Industry Park.
- Chairman, WWF Karnataka State Advisory Board.

(2) Past remuneration

Total Gross Remuneration drawn during 2014-15: Rs. 49.84 lakhs

(3) Recognition or awards

Mr. C P Rangachar has been awarded with CII-Award for Continuous Contribution.

(4) Job profile and his suitability

Mr. C P Rangachar promoted Yuken India Limited (YIL) in collaboration with Yuken Kogyo Company Limited (YKC), Japan, and has been its Managing Director since 01/05/1978. During his tenure, Company has emerged as one of the leading manufacturers and suppliers of hydraulic machines in India and maintained its position in the industry. As CEO and Managing Director, he shall devote his whole time and attention towards the business in the best interests of the Company and its stakeholders.

(5) Remuneration Proposed

1. Salary	: In the scale of Rs. 350,000 – Rs. 700,000 with authority to Board to fix such annual increments as it deems fit
2. Commission on Net Profits	: As may be determined by the Board of Directors subject to overall remuneration not exceeding 5% of the net profits of the Company.
3. Perquisites	
a) Housing	: Free Furnished Accommodation
b) Gas, Electricity, Water	: Actual
c) Medical reimbursement	: Self and Family at Actual
d) Leave Travel Allowance	: Self and Family once a year. Actual reimbursement
e) Club Fees	: Subject to a maximum of two clubs. No life membership
f) Personal Accident Insurance	: Self and Family. Premium not to exceed Rs. 6,000/- p.a.
g) Provident Fund	: As per Company's rules
h) Superannuation	: As per Company's rules
i) Gratuity	: Half month's salary for each completed year of service
j) Motor Car	: Free use of car with driver
k) Telephone & Fax	: Free telephone and fax at residence
l) Earned Leave	: One month's leave with full pay and allowances for every completed 11 months of service
m) Encashment of Leave	: Leave accumulated and not availed of during his term as Managing Director may be allowed to be encashed at the end of his term.
Note: In case of inadequacy of profits, remuneration in accordance with Schedule V of the Companies Act, 2013 will be paid.	

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Since the Company falls under unique segment of Hydraulics, the comparative remuneration profile with respect to industry, size of the Company, profile of the position and persons are not available and hence not comparable. However, companies of similar size are paying their Managerial Personnel Rs. 8 lakhs to Rs. 10 lakhs per month.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. C P Rangachar as an individual member and along with his family members, is holding less than 1% of equity shares of the Company.

III. Other information:**(1) Reasons for loss or inadequate profit**

- The Company was consistently making profits in the past .Due to present market scenario, the profits for the year has declined.
- The Company has started a new line of products in 2012, which is yet to achieve the break-even level.

(2) Steps taken or proposed to be taken for improvement

- New products have been introduced by the Company
- Exploring new markets
- Focusing on cost cutting and improving profitability

None of the Directors or KMP except Mr. C.P. Rangachar and Mrs. Vidya Rangachar is interested in this resolution.

Details of Directors seeking appointment /re-appointment at the forthcoming AGM.

Particulars	Mr.Osamu Tanaka	Mrs.Vidya Rangachar	Mr. C.P. Rangachar
Date of Birth	03/06/1946	10/10/1947	23/07/1942
Date of appointment	02/09/2011	30/03/2015	01/05/1978
Qualifications	Bachelor's degree of Accounting from Chuo University	Bachelor of Engineering	i. B.E in Electrical Engineering from BITS, Pilani ii. M.E
Expertise	Joined Yuken Kogyo Company Limited (YKC) in 1982. Worked as a Director from 1983 to 1986 in YKC – Brasil, as Finance Manager of Nihon Cylinder from 1986 to 1988, Manager-Production from 1988 to 1992, General Manager-Finance from 1996 to 1999, Director-West Sales Department from 1999 to 2007, Executive Director from 2007 to 2009, Senior Managing Director from 2009 to 2011, President from 2011 till date.	Managing Director of M/s. Ben-efic Investment and Finance Company Private Limited	Promoter of Yuken India Limited in collaboration with YKC. Appointed as the Director on 01/05/1978 and acting as the Managing Director since then. Promoter and Director of Sai India Limited. Member-Industrial Development Bank of India - Southern Regional Advisory Committee – 1997-99. Actively associated with various professional bodies. Was Chairman of CII – Southern Region 1998-99, Chairman CII Fluid Power Division; Chairman of CII - National Council for Small Industry; Plastics Institute; Fluid Power society etc., and Past President of the Indian Machine Tool Manufacturers' Association [IMTMA]. Organizer and Faculty for many Events, Seminars; Published several papers and articles in India & abroad. Currently working as President, IMTMA Machine Tool Industry Park and Chairman, WWF Karnataka State Advisory Board
Directorships held in other public Companies	NIL	NIL	1. Polyene Film Industries Limited 2. Natural Capsules Limited 3. Sai India Limited
Membership/ Chairmanship of committees of other public Companies	NIL	NIL	1. Natural Capsules Limited – Member of Audit Committee
No of shares held in the Company	NIL	4,000 equity shares of Rs.10/- each	21,100 equity shares of Rs.10/- each

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 39th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

The Company is carrying on the business of manufacturing of hydraulic valves, pumps, systems and cast iron castings. During the year, the Company has registered a total income of Rs. 18,610 lakhs compared to Rs. 16,512 lakhs of previous year. The Company's financial performance for the year under review along with previous year's figures is given hereunder:

Financial highlights:

	(Rs in Lakhs)	
Particulars	2014-15	2013-14
Total income	18,610	16,512
Total expenditure	17,677	15,591
Profit before interest, depreciation and tax	933	921
Finance cost	418	376
Depreciation	458	431
Profit before Exceptional items and tax	57	114
Exceptional Items	-	201
Profit after Exceptional items & before tax	57	315
Provision for taxation (Net of deferred tax)	(16)	61
Profit after tax	73	254
Balance in Statement of profit and loss	4,623	4,434
Amount available for appropriation	4,696	4,688
Appropriations:		
Depreciation on transition to Schedule II of the Companies Act, 2013	15	-
General reserve	4	13
Proposed dividend	45	45
Tax on proposed dividend	9	7
Balance carried to Balance Sheet	4,623	4,623
Total	4,696	4,688

2. THE EXTRACT OF ANNUAL RETURN (FORM MGT-9)

The extract of Annual Return pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure-1 and is attached to this report.

3. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

Five Board Meetings had been held during the financial year, 2014-15 viz., on 29th May 2014, 26th July 2014, 9th September 2014, 29th October 2014 and 7th February 2015.

4. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis.
- (e) The Directors had laid down internal financial controls to be followed by the Company as applicable to listed companies and such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Nomination and Remuneration Policy of the Company pertaining to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013 is attached to this report in Annexure-2.

6. EVALUATION OF DIRECTORS

Nomination and Remuneration Committee of the Company has formulated a criteria for evaluation of the Board Members. Accordingly performance evaluation of the Board and its members has been carried out.

7. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR RESPECTIVE REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors or by the Practicing Company Secretary in their respective reports.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of Loans, guarantees or investments made under section 186 are furnished as under:

Particulars	Bank	Amount (Rs.)
Corporate Guarantee for Yuflow Engineering Private Limited (Subsidiary)	HDFC Bank Ltd.	212 lakhs
Corporate Guarantee for Coretec Engineering India Private Limited (Subsidiary)	State Bank of India	249 lakhs

The above guarantees are within the limits prescribed under section 186 of the Companies Act, 2013.

No loans given and no investments made during the year.

9. CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The details of related party transactions as required under Accounting Standard-18 are set out in Note-31 to the standalone financial statements of the Company.

The Form AOC-2 pursuant to section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure-3 to this report.

The Policy on Related Party Transactions as approved by the Board may be accessed on the Company's website, web link of which is as under:

<http://www.yukenindia.com/wp-content/uploads/2014/11/Related-Party-Transactions-Policy.pdf>

10. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES

Your Company proposes to transfer Rs. 4 lakhs to General Reserves.

11. DIVIDEND

The Board of Directors is pleased to recommend a dividend of 15% on equity shares of the Company for the year ended 31st March, 2015, subject to the approval of the members at the ensuing Annual General Meeting.

12. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of section 125 of the Companies Act, 2013 any unclaimed or unpaid dividend relating to the financial year 2007-08 is due for remittance on 10th September, 2015 to the Investor Education and Protection Fund established by the Central Government.

13. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31ST MARCH, 2015 AND 09TH MAY, 2015

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year (31st March, 2015) and the date of the Report (09th May, 2015).

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

1. Conservation of Energy:

The Company has taken various steps for conservation of energy in the process of implementing several projects. Energy conservation is a consistent focus area for the Company both from cost control as well as social responsibility perspective. The power factor is regularly monitored and maintained between 0.99 and 1.00. Solar power is being used at Malur Plant.

2. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: (Rs. in lakhs)

Export Sales	647.38
Other Income	11.71

Expenditure in Foreign Currency: (Rs. in lakhs)

Brand fee	72.78
Royalty	7.48
Interest	0.22
Others	30.61

Remittance in Foreign Currency on Account of:

(Rs. in lakhs)

Dividend	18
----------	----

3. Research and Development (R&D)

The Company continues to invest in R&D activities towards development of new products and applications, improvement in operating efficiencies and reduction in manufacturing costs.

(a) Specific areas in which R&D carried out by the Company

Development of larger valves for process and steel industries, rugged vane pumps for special applications and development of high efficiency gear pumps are some of the areas where R&D was carried out by the Company.

(b) Benefits derived as a result of above R&D efforts

Special products developed to meet specific requirements of customers which enable your Company to develop niche markets for growth.

(c) Future plan of action

- Development of additional range of products
- Focus on process improvements to enable the Company to penetrate the export market
- Strong focus on employee involvement to eliminate waste in operations through focused initiatives.

(d) Expenditure on R&D

There is a continuous increase in R&D expenditure as the scope of activities carried out keeps on increasing.

4. Technology Absorption, Adaptation and Innovation**(a) Efforts in brief, made towards technology absorption, adaptation and innovation:**

- Special models of energy saving pumps and valves have been designed to meet specific needs of customers and these have enabled us to extend our customer base to include a wider range of industries.
- Indigenization is a continuous ongoing effort.

(b) Benefits derived as a result of the above efforts:

- Reduction of material cost
- Quality improvement and improvement in product performance characteristics
- Ability to innovate and produce new products

(c) Information regarding technology imported during the last five years reckoned from the beginning of the financial year:

- i. Technology imported: For manufacture of Chip compacting machine
- ii. Year of import: 2011
- iii. Has technology been fully absorbed? Yes
- iv. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action: NA

15. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company, during the year 2014-15.

16. DIRECTORS

Mr. Shiro Hattori, nominated by Yuken Kogyo Company Limited, Japan has been appointed as a Director in the 38th Annual General Meeting held on 09th September, 2014.

The status of Mr. Osamu Tanaka has been changed from "Director not liable to retire by rotation" to "Director liable to retire by rotation" in the 38th Annual General Meeting held on 09th September, 2014.

Mr. Srinivasan Rangarajan, Capt. N S Mohanram and Dr. Premchander had been appointed as Independent Directors of the Company in compliance with the provisions of section 149 of the Companies Act, 2013 and Clause 49(II) of the Listing Agreement.

Mr. Y Mukaide has resigned from the office of Director, on 01st April, 2014.

Mrs. Vidya Rangachar has been appointed as an Additional Director on 30th March, 2015.

The Independent Directors have submitted their declarations to the Board stating that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

17. KEY MANAGERIAL PERSONNEL

In compliance with the provisions of section 203 of the Companies Act, 2013, Mr. H M Narasinga Rao, Chief Financial Officer and Mr. Subramanya Ullal, Chief Executive Officer have been designated as Key Managerial Personnel and Ms. Sridevi Ch has been appointed as the Company Secretary during the year.

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit & Loss and other documents of the Subsidiary Companies are not being attached to the Balance Sheet of the Company.

The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective Subsidiary Companies. The consolidated financial statements presented by the Company include financial results of its Subsidiary Companies.

The details of financial performance of Subsidiaries and Associate Companies are furnished as under:

Particulars	(Rs. in lakhs)				
	Coretec Engineering India Pvt. Ltd. (Subsidiary)	Yuflow Engineering Pvt. Ltd. (Subsidiary)	Sai India Ltd (Associate)	Kolben Hydraulics Ltd. (Associate)	Bourton Consulting (India) Pvt. Ltd. (Associate)
Total Income	718.23	1121.24	1583.15	221.77	64.76
Total expenditure	631.10	1098.44	1438.85	210.64	54.13
Profit before interest, depreciation and tax	87.13	22.80	144.31	11.12	10.63
Finance cost	11.69	28.57	96.80	1.28	0.60
Depreciation	27.92	37.34	126.24	8.17	6.19
Profit before Exceptional items, Prior year items and tax	47.52	(43.11)	(78.73)	1.68	3.84
Exceptional items	-	-	-	-	-
Profit after Exceptional items but before prior year items and tax	47.52	(43.11)	(78.73)	1.68	3.84
Prior year items	-	-	-	3	-
Profit after Exceptional items and prior year items but before tax	47.52	(43.11)	(78.73)	(1.33)	3.84
Provision for taxation (Net of deferred tax)	6.97	-	(2.86)	(7.56)	1.33
Profit/ (Loss) after tax	40.55	(43.11)	(75.87)	6.23	2.51
Earnings per share (in Rs.)	6.54	(4.31)	(8.43)	0.64	1.99

19. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year.

20. MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES

There are no significant and material orders passed by the regulators or courts or tribunals during the year, impacting the going concern status and Company's operations in future.

21. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Details of the same are provided in the Management Discussion and Analysis Report attached as Annexure-6 to this report.

22. RISK MANAGEMENT POLICY

In compliance with the provisions of Clause 49(VI) of the Listing Agreement, a Risk Management Committee has been constituted by the Board, which has formulated a Policy on Risk Management for the purpose of identification, assessment, handling, monitoring and dealing with various risks across the organization.

Risks are identified by the respective departmental heads. Each SBU & Corporate will carry out the Risk Assessment for each identified risk, as applicable to them and will document the results for each risk in the Risk Register. Action will be taken based on the possible impact of the identified risk.

The Company has adopted the following measures concerning the development and implementation of a Risk Management Policy during the year:

- a. Measures taken by IT department of the Company to mitigate risk relating to security of data and systems of the Company;
- b. Security measures in the manufacturing units of the Company to prevent accidents; and
- c. Installation of CC TV cameras and siren at factory for safety of the employees.

23. DETAILS OF POLICY DEVELOPED, IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has constituted a Corporate Social Responsibility Committee and developed a CSR Policy, in compliance with the provisions of section 135 of the Companies Act, 2013, with the following objectives:

- * To ensure an increased commitment at all levels in the Organization to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of the stakeholders.
- * To directly or indirectly take up programs that benefit the communities over a period of time, in enhancing the quality of life and economic well being of the people around.

In accordance with the Company's CSR Policy, following are the areas on which the Company would like to focus for the purpose of CSR:

1. Education and
2. Environmental sustainability

In compliance with the CSR Policy, your Company has undertaken the following activities:

1. Appointed a Teacher in a school run by State Government at Malur, on its own expenses,
2. Donations made to ISKCON's Akshaya Patra and
3. Rain water harvesting at Malur foundry and Whitefield Factory.

However, the Company could not allocate and spend enough funds as required under the provisions of section 135 of the Companies Act, 2013, on CSR activities due to insufficiency of funds.

24. COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

In compliance with the provisions of Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has constituted an Audit Committee with the following members:

1. Capt. N. S. Mohanram - Chairman
2. Mr. R. Srinivasan - Member
3. Mr. C.P. Rangachar - Member

The above composition of the Audit Committee consists of two Independent Directors, who form the majority.

The Company has established a Vigil Mechanism to deal with the genuine concerns of the employees and Directors pertaining to the Company's interests and also provided direct access to the Chairman of the Audit Committee and the Vigilance Officer of the Company on reporting issues concerning the interests of the Company. The Company also has provided adequate safeguards against victimization of employees and Directors who are the whistle blowers.

The Company has published the Whistle Blower Policy in its website, a web link of which is as under:

<http://www.yukenindia.com/wp-content/uploads/2014/11/Whistle-Blower-Policy.pdf>

25. DETAILS OF REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements of the Company, during the year 2014-15.

26. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As part of the Familiarisation Programme, Independent Directors of the Company have been made aware of the following information:

- Rules and regulations pertaining to their appointment as Independent Directors
- Duties and responsibilities of the Independent Directors towards the Company and stakeholders
- Code of conduct to be followed by them and
- Company's policies and procedures

27. DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a. Ratio of remuneration of each Director/KMP to the median employee's remuneration and the Percentage increase in the median remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15.

Name of the Director / KMP	Remuneration for financial year 2014-15 (in Rs.)	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	4,984,401	(1%)	9.44:1
Mr. O Tanaka, Chairman & Non-Executive Director	10,000	Nil	0.02:1
Capt. N S Mohanram, Non-Executive Independent Director	90,000	Nil	0.17:1
Mr. R Srinivasan, Non-Executive Independent Director	90,000	Nil	0.17:1
Dr. Premchander, Non-Executive Independent Director	30,000	Nil	0.06:1
Mr. S Hattori, Nominee Director	10,000	Nil	0.02:1
*Mrs. Vidya Rangachar, Additional Director	-	Nil	-
Mr. H M Narasinga Rao, CFO	4,214,787	20%	7.98:1
**Mr. Subramanya Ullal, CEO	3,255,000	Nil	6.17:1
**Ms. Sridevi Ch, Company Secretary	362,006	Nil	0.69:1

Notes:

1. The sales for the year has increased by 12% and the remuneration of the Managing Director has been decreased by 1%.

*2. Mrs. Vidya Rangachar has been appointed as an Additional Director on 30/03/2015.

**3. The CEO has been appointed on 01/01/2014 and the Company Secretary has been appointed on 01/08/2014.

b. The median remuneration of employees of the Company during the year: Rs. 527,856/- and percentage increase in the median remuneration of employees compared to the previous financial year: 6.17%.

c. The number of permanent employees on the rolls of the Company as on 31st March, 2015 was 392.

d. **Relationship between average increase in remuneration and company performance:** The sales for the year has increased by 12% and the average increase in median employee remuneration was 6.17%. Remunerations of the employees are as per the industry standards.

e. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

Overall remuneration of Key Managerial Personnel for the year 2014-15 has been increased by 49% whereas the revenue from the operations has increased by 12% when compared to the previous year. The variation in increase in the remuneration of KMP is due to new appointments of the CEO and Company Secretary. Remunerations of the KMP are as per the industry benchmarks.

f. (i) Variations in the market capitalization of the Company: The market capitalization as on 31st March, 2015 was Rs. 68.22 crores whereas as on 31st March, 2014 was Rs. 48.66 crores.

(ii) Price earnings ratio of the Company as on 31st March, 2015: 100.18:1 (Previous year - 19.17:1).

(iii) Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the company came out with the last public offer in the year:

The Company had come out with initial public offer in 1991. An amount of Rs. 10 invested in the said IPO would be worth Rs. 227.40 as on 31st March, 2015 indicating a Compounded Annual Growth Rate of 13.90%. This is excluding the dividend accrued thereon.

g. **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

- Average percentage increase of salaries of employees other than the managerial personnel in the financial year: 9.96%
- Percentage increase/decrease in the managerial remuneration: 7.30%*

* CEO and CS have been newly appointed and hence there is no increase in remuneration.

h. **The key parameters for any variable component of remuneration availed by the directors**

Directors are paid commission calculated on the basis of net profits of the Company under the provisions of section 197 of the Companies Act, 2013 and as approved by the shareholders and based on the Nomination and Remuneration Policy of the Company.

- i. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Not Applicable.

It is hereby affirmed that the remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company.

Information as per rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation	Remuneration Received	Contractual / otherwise	Qualification & Experience	Date of commencement of employment	Age	Last employment	% of equity shares held in company	Whether relative of any director or manger of Company
- Nil -									

- (i) Employed throughout the financial year and were in receipt of remuneration for the year, in the aggregate of not less than Rs. 6,000,000/- - Nil
- (ii) Employed for a part of the financial year and were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 500,000/- per month - Nil
- (iii) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - Nil

28. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, the Company has registered a turnover of Rs. 18,412 lakhs compared to Rs. 16,449 lakhs in the previous year. Operations of the Company for the year under review have resulted in a net profit of Rs. 72.80 lakhs.

The economy is slowly improving during the year. Once the interest rate comes down, the demand for our products is likely to increase and the Company hopes to improve its performance in the near future.

29. SHARES

a. BUY-BACK OF SHARES

The Company has not bought back any of its securities during the year.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year.

c. BONUS SHARES

No Bonus Shares were issued during the year.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to its employees, during the year.

30. COST AUDITORS

Pursuant to the provisions of section 134 of the Companies Act, 2013, the Board had appointed M/s. Kamalakara & Co., Cost Accountants, Bangalore as Cost Auditors for conducting Cost Audit for the financial year, 2014-15. However, in accordance with a clarification provided by the Ministry of Corporate Affairs, the cost audit for the financial year 2014-15 was not applicable to the Company and hence it was not conducted.

31. STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore had been appointed as the Statutory Auditors for a period of 3 years in the 38th Annual General Meeting held on 09th September, 2014, whose appointment is subject to ratification in each Annual General Meeting till their last year.

32. SECRETARIAL AUDITORS

The Company has appointed M/s. BG & Associates, Practicing Company Secretaries, Bangalore for conducting Secretarial Audit for the financial year 2014-15 in compliance with the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A report on Secretarial Audit in Form MR-3 is attached herewith in Annexure-4.

33. CORPORATE GOVERNANCE

Your Company is committed to maintaining high standards of Corporate Governance. A report on Corporate Governance along with a Certificate from the Statutory Auditors on compliance of Corporate Governance is attached to this Report as Annexure -5.

34. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA) forms part of this report as Annexure-6 setting out an analysis of business including the industry scenario, performance, financial analysis and risk mitigation.

35. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on "Consolidated Financial Statements" read with Accounting Standard AS-23 on "Accounting for Investments in Associates", the audited Consolidated Financial Statements are provided in the Annual Report.

36. FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to your Company and / or its business are intended to identify such forward-looking statements. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performance or achievements could differ materially from those expressed or implied in such forward looking statements. This report should be read in conjunction with the financial statements included herein and notes thereto.

37. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to the bankers, business associates, consultants and various Government Authorities for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company.

For and on behalf of the Board of Directors

Place: Bangalore
Date : 09th May, 2015

C.P. Rangachar
Managing Director

R. Srinivasan
Director

Dr. Premchander
Director

Annexure-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:-

- i) CIN : L29150KA1976PLC003017
- ii) Registration Date : 28th June, 1976
- iii) Name of the Company : Yuken India Limited
- iv) Category / Sub-category of the Company : Public Company Limited by Shares
- v) Address of the Registered Office and contact details

PB 16, Whitefield Road, Whitefield, Bangalore, Karnataka, Pin Code: 560066, India

Telephone : 080 – 2845 2069

Fax Number : 080 – 2845 2069

Email Address : hmn_rao@yukenindia.com

Website : <http://www.yukenindia.com/>

vi) Whether listed company Yes / No : Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower-B, Plot Nos. 31 & 32, Financial District,

Gachibowli, Nanakramguda, Serilingampally, Hyderabad- 500 008.

Telephone : 040 - 44655124

Fax Number : 040 - 23420814

Email Address : prem.kumar@karvy.com/ rajitha.cholleti@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hydraulic Pumps, Valves and Others	29119	70
2	Hydraulic Power Units	29121	18
3	Cast Iron castings	27310	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1.	Yuflow Engineering Private Limited	U29120TN2002PTC048619	Subsidiary	100%	2(87)
2.	Coretec Engineering India Private Limited	U29246KA1998PTC023863	Subsidiary	100%	2(87)
3.	Sai India Limited	U29120KA1989FLC010358	Associate	40%	2(6)
4.	Bourton Consulting (India) Private Limited	U74140KA2007PTC042384	Associate	29.54%	2(6)
5.	Kolben Hydraulics Limited	U29119KA2007PLC043340	Associate	43.68%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSI-CAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSI-CAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	28330	0	28330	0.94	27100	0	27100	0.90	0.04
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	347952	0	347952	11.60	347952	0	347952	11.600	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	376282	0	376282	12.54	375052	0	375052	12.50	0.04
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	1200000	0	1200000	40.00	1200000	0	1200000	40.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	1200000	0	1200000	40.00	1200000	0	1200000	40.00	0.00
	Total A=A(1)+A(2)	1576282	0	1576282	52.54	1575052	0	1575052	52.50	0.04

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
			PHYSI-CAL	TOTAL	% OF TOTAL SHARES	DEMAT		TOTAL	% OF TOTAL SHARES	
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	1500	1500	0.05	0	1500	1500	0.05	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	1500	1500	0.05	0	1500	1500	0.05	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	152522	1068	153590	5.12	171724	1068	172792	5.76	-0.64
(b)	Individuals									
	(i) Individuals holding nominal									
	share capital upto Rs.1 lakh	805485	104393	909878	30.33	735273	100243	835516	27.85	2.48
	(ii) Individuals holding nominal									
	share capital in excess of Rs.1 lakh	269178	0	269178	8.97	340515	0	340515	11.35	-2.38
(c)	Others									
	CLEARING MEMBERS	2078	0	2078	0.07	4324	0	4324	0.14	-0.07
	NON RESIDENT INDIANS	87494	0	87494	2.92	70301	0	70301	2.34	0.57
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	1316757	105461	1422218	47.41	1322137	101311	1423448	47.45	0.04
	Total B=B(1)+B(2) :	1316757	106961	1423718	47.46	1322137	102811	1424948	47.50	0.04
	Total (A+B) :	2893039	106961	3000000	100.00	2897189	102811	3000000	100.00	0.00

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	2893039	106961	3000000	100.00	2897189	102811	3000000	100.00	

(ii). Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year				Share holding at the end of the year				% change in share Holding during The year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares		
1.	YUKEN KOGYO CO., LTD	1200000	40	-		1200000	40	-		-
2.	BENEFIC INVESTMENT AND FINANCE COMPANY PVT LTD	347952	11.5984	-		347952	11.5984	-		-
3.	C P RANGACHAR	21100	0.7033	-		21100	0.7033	-		-
4.	VIDYA RANGACHAR	4000	0.1333	-		4000	0.1333	-		-
5.	MADHURI RANGACHAR	2000	0.0666	-		2000	0.0666	-		-
6.	MUDUMBI PARTHASARATHY	1230	0.041	-		-	-	-		0.041
	Total	1,576,282	52.5427	-		1,575,052	52.5017	-		0.041

(iii). Change in Promoters' Shareholding:

Sl. No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1,576,282	52.5427		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	31st March, 2015 - Decrease in Promoters' shareholding by 0.04% Mr. M Parthasarathy, one of the Promoters is not associated with the Company any more. Hence his shareholding has been added in the public category.			
	At the end of the year			1,575,052	52.5017

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Shareholder	JT1	JT2	Category	Shareholding at the beginning of the year	Sold during the year	Bought during the year	Shareholding at the end of the year
KCP Sugar and Industries Corporation Limited	-	-	Body Corporate	59033	31981	52252	79304
Salim Pyrali Govani			PUB	46011	0	3433	49444
Anil Bhavanji Shah	Darshana Anil Shah	-	PUB	42988	0	28000	70988
Shivswaroop Gupta (HUF)	-	-	HUF	39000	0	0	39000
Savitha Raghavan	-	-	NRI	33154	0	0	33154
Vinod Sethi	-	-	PUB	31257	25500	17250	23007
Bhavanji Vershi Shah	Anil Bhavanji Shah	-	PUB	28805	0	0	28805
Babitha Shivswaroop Gupta	-	-	PUB	27500	27500	0	0
Manashvi Securities	-	-	Body Corporate	25352	24036	1000	2316
Raghavan Venkataramani	-	-	NRI	24222	0	0	24222
Shivswaroop Jagannathanal Gupta	-	-	PUB	16381	13400	32719	38060
Madhu Jayakumar Vadera	-	-	PUB	0	0	33536	33536
Tejas Vidyadhara Rao Sethi	-	-	PUB	0	0	27000	27000

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Dpid	Folio/Client-Id	Name of the Share Holder	Jt1	Jt2	Category	Sold	Bought	Cumulative Holding	Date
1	IN300360 IN300360	21003688 21003688	C P Rangachar C P Rangachar	Vidya Rangachar Vidya Rangachar		DIR DIR	0 0	0 0	21100 21100	01/04/2014 31/03/2015
2	IN300360 IN300360	21003670 21003670	Vidya Rangachar Vidya Rangachar	C P Rangachar C P Rangachar		DIR DIR	0 0	0 0	4000 4000	01/04/2014 31/03/2015
3		YIL009000 YIL009000	H M Narasinga Rao H M Narasinga Rao			KMP KMP	0 0	0 0	450 450	01/04/2014 31/03/2015

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	998.47	2400	-	3398.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.7	-	1.7
Total (i+ii+iii)	998.47	2401.7	-	3400.17
Change in Indebtedness during the financial year				
Addition	264.5	300	-	564.5
Deletion	424.23	1.7	-	425.93
Net Change	-159.73	298.3	-	138.57
Indebtedness at the end of the financial year				
i) Principal Amount	838.74	2700	-	3538.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4.79	-	4.79
Total (i+ii+iii)	838.74	2704.79	-	3543.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
		C P Rangachar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		4,572,000 412,401
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify ...	-	-
5.	Others, please specify	-	-
	Total (A)	4,984,401	4,984,401
	Ceiling as per the Act	In the scale of Rs. 350,000/- to Rs. 600,000/- per month as per the provisions of the Companies Act, 1956 and as approved by the shareholders.	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Names of Directors						Total Amount (Rs.)
		Mr. Osamu Tanaka	Mr. R Srinivasan	Capt. N S Mohanram	Dr. Premchander	Mr. Shiro Hattori	Mrs. Vidya Rangachar	
1.	Independent Directors							
	• Fee for attending board meetings	-	Rs. 50,000	Rs. 50,000	Rs. 30,000	-	-	Rs. 130,000
	• Committee meetings	-	Rs. 40,000	Rs. 40,000	-	-	-	Rs. 80,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	Rs. 90,000	Rs. 90,000	Rs. 30,000	-	-	Rs. 210,000
2.	Other Directors							
	• Fee for attending board meetings	Rs. 10,000	-	-	-	Rs. 10,000	-	Rs. 20,000
	• Committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	Rs. 10,000	-	-	-	Rs. 10,000	-	Rs. 20,000
	Total (B)=(1+2)	Rs. 10,000	Rs. 90,000	Rs. 90,000	Rs. 30,000	Rs. 10,000	-	Rs. 230,000
Overall Ceiling as per the Act: Sitting Fee - Rs. 100,000/- per Meeting.								

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,255,000	4,214,787	362,006	7,831,793
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600	-	43,200
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	3,276,600	4,236,387	362,006	7,874,993

Note: The remuneration does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-2

NOMINATION & REMUNERATION POLICY**PREAMBLE**

Pursuant to the provisions of section 178 of the Companies Act, 2013 and Clause 49(IV) of the Listing Agreement entered into with the Stock Exchanges, the Company has constituted a Nomination and Remuneration Committee and the Committee, in compliance with the applicable provisions has formulated this Policy.

OBJECTIVES

The key objectives of the Nomination & Remuneration Committee are:

- To guide the Board with regard to appointment/removal of the Directors, Key Managerial Personnel and Senior Management of the Company;
- To ensure proper mechanism for the evaluation of Board and its Committees; and
- To recommend to the Board, the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The key objectives of this Policy are to ensure that:

- The level of remuneration paid is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and the Senior Management;
- Relationship of remuneration to performance is clear and meets appropriate benchmark; and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

DEFINITIONS

“Board” means the Board of Directors of the Company.

“Company” means “Yuken India Limited.”

“Independent Director” means a director referred to in Section 149(6) of the Companies Act, 2013.

“Key Managerial Personnel” or **“KMP”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. As per Section 203 of the Companies Act, 2013, the following are the whole-time Key Managerial Personnel:

- (i) Managing Director or Chief Executive Officer;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer.

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

COMPOSITION OF THE NOMINATION & REMUNERATION COMMITTEE

The Committee is constituted by:

Mr. R Srinivasan	-	Chairman
Capt. N S Mohanram	-	Member and
Dr. Premchander	-	Member

ROLE OF THE COMMITTEE

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
2. To formulate the criteria for evaluation of Board and its members and to carry out the evaluation.
3. To formulate criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board, a Policy, relating to remuneration for the directors, Key Managerial Personnel and other employees.
4. To devise a policy on Board diversity.
5. To recommend/review remuneration of the Managing Director and Whole-time-directors based on their performance and defined assessment criteria.
6. To administer, monitor and formulate detailed terms and conditions of the Employees Stock Option scheme, if needed.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.

MEETINGS OF THE COMMITTEE

- Any two members present will constitute quorum for the meeting.
- Meetings of the Committee may be held from time to time as may be required.
- A Member of the Committee is not entitled to be present when his/her remuneration is discussed or when his/her performance is being evaluated.

APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT**Appointment Criteria and Qualifications**

Subject to the applicable provisions of the Companies Act, 2013 and HR Policy of the Company, the Committee shall identify and ascertain the qualifications, experience and integrity of the person for appointment as Director / KMP / Senior Management level and recommend to the Board his/her appointment.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Remuneration

The Committee would determine the remuneration of the Directors / KMP / Senior Management Personnel keeping in view the following:

- Ensure that the level and components of remuneration are reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees;
- No director/KMP/ other employee is involved in deciding his or her own remuneration;

- The trend prevalent in the similar industry, nature and size of business to be kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- Ensure that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Consistent application of remuneration parameters across the organization.
- Provisions of law with regard to making payment of remuneration, as may be applicable, should be complied with.

Following criteria will also be considered:

- Responsibilities and duties;
- Time and efforts devoted;
- Value addition;
- Profitability of the Company and growth of its business;
- Standards for certain functions where there is a scarcity of qualified resources;
- Ensuring tax efficient remuneration structures;
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.

The Nomination and Remuneration Committee has authorized the Managing Director to appoint the Key Managerial Personnel and the Senior Management Personnel and to fix their remuneration in accordance with the Company's policy.

AMENDMENTS

Any or all the provisions of this policy are subject to revision/modification by the Committee, as may be required.

Annexure-3

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts/arrangements/ transactions including the value, if any	NA
(e)	Justification for entering into such contracts/ arrangements/ transactions	NA
(f)	Date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts / arrangements/transactions	Nil
(d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Nil
(e)	Date(s) of approval by the Board, if any	Nil
(f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place: Bangalore

Date : 09th May, 2015

C.P. Rangachar
Managing Director

R. Srinivasan
Director

Dr. Premchander
Director

Annexure-4
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Yuken India Limited

We have conducted the secretarial audit of the Company in compliance of applicable statutory provisions and the adherence to good corporate practices by Yuken India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Yuken India Limited for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during Audit Period)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during Audit Period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during Audit Period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during Audit Period) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during Audit Period)

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Factories Act, 1948
- (b) The Trade Unions Act, 1926
- (c) Contract Labour (Regulation & Abolition) Act, 1979
- (d) The Apprentices Act, 1961
- (e) Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited, Bangalore Stock Exchange and Ahmedabad Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members for any item.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of

- a. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b. Redemption / buy-back of securities
- c. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d. Merger / amalgamation / reconstruction, etc.
- e. Foreign technical collaborations

For BG & Associates

Company Secretaries

Binoy Chacko

Partner

CP No. 4221

FCS No.: 4792

Place: Bangalore

Date: 07.05.2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members
Yuken India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BG & Associates

Company Secretaries

Binoy Chacko

Partner

CP No. 4221

FCS No.: 4792

Place: Bangalore

Date: 07.05.2015

Annexure-5

REPORT ON CORPORATE GOVERNANCE

Corporate Governance essentially lays down the framework for creating long term trust between the Company and its stakeholders. Good Corporate Governance ensures transparency of corporate structures and operations, accountability of Board to shareholders, corporate responsibility towards stakeholders and integrity of financial reports.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance envisages fiscal accountability, transparency in its operations and in all its interactions with its stakeholders. The Company's Corporate Governance has been strengthened by its code of conduct and various policies.

The Company is engaged in the business of manufacture of hydraulic products and cast iron castings for a large variety of end users. The Company's principal objective is to deliver to its customers, quality products and pro-active satisfactory services. The Company is in compliance with the listing requirements of the Stock Exchanges where its shares are listed.

The Company's policy therefore, envisages the assurance of product quality, transparency, accountability and integrity in its operations and in its relation with all stakeholders, i.e., customers, suppliers, investors, employees, the Government and other associates. The details of compliance are as follows:

BOARD OF DIRECTORS:

Our Board critically oversees Company's strategies, policies, operations and risk management and ensures that all the aspects of Corporate Governance are complied with from time to time.

Composition:

The Board comprises of Executive and Non-Executive Directors who are eminent persons with considerable professional experience in various fields. There are two Executive Directors, viz., Mr. CP Rangachar, Managing Director and Mr. Shiro Hattori, Director. All the other Directors are Non-Executive Directors. Among the Non-Executive Directors, Mr. Osamu Tanaka and Mrs. Vidya Rangachar are Non-Executive and Non-Independent Directors and Mr. R Srinivasan, Capt. N S Mohanram and Dr. Premchander are Non-Executive Independent Directors.

The Company has not had any pecuniary relationship/transaction with any of the Non-Executive Independent Directors of the Company.

Attendance at the meetings of the Board of Directors during the year and at the last Annual General Meeting, the number of Directorships and Committee Memberships held by them in domestic public companies by each Director as at 31st March, 2015 are as indicated below:

Director	Whether Promoter/ Collaborator/ Executive/Non- Executive/ Independent/Non- Independent	Attendance		* LOA	No. of outside Director ships held	No. of Board Committees of other Companies in which a member	Chairman/ Member of Board Committees of other Companies in which a member
		Board Meeting	Last AGM				
1. Mr. O Tanaka (Chairman)	Non-Executive & Non-Independent (Collaborator)	1	Yes	Yes	-	-	-
2. Mr. Shiro Hattori	Executive & Non-Independent, Nominee Director (Collaborator)	1	Yes	Yes	-	-	-
3. Mr. R Srinivasan	Non-Executive & Independent	5	Yes	-	11	2 3	Chairman Member
4. Capt. N S Mohanram	Non-Executive & Independent	5	Yes	-	-	-	-

Director	Whether Promoter/ Collaborator/ Executive/Non- Executive/ Independent/Non- Independent	Attendance		* LOA	No. of outside Director ships held	No. of Board Committees of other Companies in which a member	Chairman/ Member of Board Committees of other Companies in which a member
		Board Meeting	Last AGM				
5. Dr. Premchander	Non-Executive & Independent	3	Yes	Yes	1		
6. Mr. CP Rangachar	Executive & Non-Independent (Promoter)	5	Yes	-	9	1	Member
7. Mrs. Vidya Rangachar	Non-Executive & Non-Independent	-	-	-	1	-	-

* LOA – Leave of Absence

* Mrs. VidyaRangachar has been appointed as an Additional Director on 30th March, 2015.

Board Meetings:

As per the provisions of the Companies Act, 2013 and Listing Agreement, the Board of Directors must meet at least 4 times in a year, with a maximum time gap of 120 days between any two meetings.

During the financial year 2014-15, our Board met 5 times viz., on 29th May 2014, 26th July 2014, 9th September 2014, 29th October 2014 and 7th February 2015.

The information as required under Annexure-X the Listing Agreement is being regularly placed before the Board.

Board Committees:

As per the Listing Agreement, no Director can be a member of more than ten Committees or act as Chairman of more than five Committees across all the Companies in which he/she is a Director. None of the Directors of our Company was member of more than ten Committees nor acted as Chairman of more than five Committees across all the Companies in which they were Directors during the year.

Organizational Changes:

There are no significant organizational changes during the year.

CODE OF CONDUCT:

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to all the Directors, Senior Management and employees of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and exemplary personal conduct. The code is available on the Company's corporate website. All the Board members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2015. A Certificate to this effect, duly signed by the Managing Director is annexed hereto.

Code of Conduct of the company is available in its website under:

<http://www.yukenindia.com/wp-content/uploads/2013/09/Code-of-Conduct.pdf>

DISCLOSURE UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

We are committed to provide a healthy environment to our employees and thus do not tolerate any discrimination and/or harassment in any form. The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Following is the summary of complaints with regard to sexual harassment in the Company for the year 2014-15:

- a) No. of complaints received – 1
- b) No. of complaints disposed off - 1

AUDIT COMMITTEE:

The Audit Committee of the Board and its constitution is in confirmation with the requirements of section 177 of the Companies Act, 2013 and also in conformation with the requirements of Clause 49(III) of the Listing Agreement.

The Audit Committee of the Board, inter alia, provides reassurance to the Board of the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations,
- Safeguarding of assets and adequacy of provisions for all liabilities,
- Reliability of financial and other management information and adequacy of disclosures, and
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- a) Investigate any activity within its terms of reference
- b) Seek information from any employee
- c) Obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee *inter alia*, are as under:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems; and
- (viii) monitoring the end use of funds raised through public offers and related matters.

The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and of the Listing Agreement.

Though the financial results are sent to the Audit Committee and the Board at the same time, the Audit Committee reviews the quarterly and yearly financial results and places a report on the same to the Board for its consideration and approval.

As at the year end, the Audit Committee comprises of Capt. N S Mohanram, Mr. R Srinivasan and Mr. C P Rangachar as the Members. While Capt. N S Mohanram and Mr. R Srinivasan are Non-Executive & Independent Directors, Mr. C P Rangachar is an Executive Director. The Chief Financial Officer and representatives of Internal and Statutory Auditors are the invitees at the Meetings of Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

All the members are financially literate and have relevant finance and/or audit exposure.

During the year, four meetings of the Audit Committee were held, the dates being 29th May 2014, 26th July 2014, 29th October 2014 and 7th February 2015. The quorum as required under Clause 49(III)(B) was maintained at all the meetings.

The composition of the Audit Committee as at 31st March, 2015 and the attendance of the members at the Audit Committee Meetings are as follows:

Sl. No.	Director	No. of Meetings held during the year	No. of Meetings attended during the year
1.	Capt. N. S. Mohanram (Chairman)	4	4
2.	Mr. R. Srinivasan	4	4
3.	Mr. C. P. Rangachar	4	4

The Chairman of the Audit Committee, Capt. N S Mohanram was present at the Annual General Meeting held on 09th September, 2014.

NOMINATION AND REMUNERATION COMMITTEE*:

The purpose of the Nomination and Remuneration Committee of the Board shall be to discharge the Board's responsibilities relating to the appointment and compensation of the Company's Executive Directors and Non-Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Directors, Non-Executive Directors compensation plans, policies and programs.

The Company's remuneration strategy is to attract and to retain high caliber talents. Our Nomination & Remuneration Policy is, therefore, market – lead and takes into account the competitive circumstances of business so as to attract and to retain quality, talent and leverage performance significantly.

As at the end of the year, the Nomination and Remuneration Committee was constituted with three Non-Executive and Independent Directors viz., Mr. R. Srinivasan as Chairman and Capt. N. S. Mohanram and Dr. Premchander as Members.

During the year, no meetings had taken place.

Note:

* The erstwhile Remuneration Committee had been re-named as "Nomination and Remuneration Committee" in line with the provisions of section 178 and Clause 49(IV) of the Listing Agreement.

STAKEHOLDERS RELATIONSHIP COMMITTEE*:

The Stakeholders Relationship Committee is authorized to:

1. Monitor the system of share transfers, transmissions, sub-division, consolidation, de-materialization and re-materialization.
2. Deal with all investor related issues including redressal of complaints from shareholders pertaining to transfer of shares and non-receipt of Balance Sheet, etc.
3. To delegate such powers to Company's officers, as may be necessary including powers to approve transfers, transmissions, authenticate share certificates and to take actions in relation to shareholders related matters.

During the year, the Board has authorized Dr. Premchander – Non-Executive and Independent Director to be the Chairman and Mr. HM Narasinga Rao, CFO and Mrs. US Geetha Pushpa, General Manager – Finance to be the members of the Stakeholders Relationship Committee to look into the issues pertaining to share transfers and stakeholders' grievances. The proceedings of the Meetings of the Committee are reported in the Board Meetings for the Board to take note of.

The attendance of the members at the Stakeholders' Relationship Committee Meetings held during the year is as under:

Committee Members	No. of Meetings held during the year	No. of Meetings attended during the year
Dr. Premchander**	2	2
Mr. HM Narasinga Rao	3	3
Mrs. US Geetha Pushpa	3	3

Notes:

* The erstwhile Share Transfers and Investors Grievance Committee was re-named as the "Stakeholders Relationship Committee" in compliance with Clause 49(VIII)(E)(4) of the Listing Agreement.

** Dr. Premchander had been appointed as the Chairman of the Committee with effect from 29th October, 2014 in accordance with the provisions of section 178(5) and Clause 49(VIII)(E)(4) of the Listing Agreement.

The statistics of investors' complaints received/redressed during the year are furnished below:

Sl. No.	Nature of Complaints	Received	Addressed	Pending
1.	Complaints with regard to non-receipt of share certificates	1	1	0
2.	Complaints with regard to non-receipt of dividend warrants	3	3	0
3.	Complaints with regard to non-receipt of annual report	5	5	0
4.	Others (complaints received through SE/SEBI)	0	0	0
	Total	9	9	0

RISK MANAGEMENT COMMITTEE:

Risk Management Committee of the Company was constituted under the provisions of Clause 49(VI) of the Listing Agreement with the following members:

1. Dr. Premchander – Chairman
2. Mr. C.P. Rangachar – Member and
3. Mr. Subramanya Ullal - Member

Risk Management Committee has formulated a Risk Management Policy which aims at monitoring associated practices of the Company for the purpose of identification, evaluation and mitigation of operational, strategic and environmental risks.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Corporate Social Responsibility Committee of the Company was formed in compliance with the provisions of Section 135 of the Companies Act, 2013 with the following Directors:

1. Dr. Premchander – Chairman
2. Mr. CP Rangachar – Member and
3. Mr. R Srinivasan – Member.

The Company has in place, a Corporate Social Responsibility Policy which is being monitored by the CSR Committee.

The Company could not allocate and spend enough funds as required under Section 135 of the Companies Act, 2013 on CSR activities due to inadequate funds.

SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian subsidiary companies and hence it is not mandatory to have an Independent Director on the Board of such subsidiary company. The Audit Committee reviews financial statements, particularly, the capital investments made by the Company's non-listed subsidiary companies. The minutes of unlisted subsidiary companies have been placed before the Board.

The accounts of all subsidiary companies are placed before the Board of Directors of the Company on a regular basis and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

DISCLOSURES:**(A) Related Party Transactions:**

During the financial year 2014-15, besides the transactions reported in Note 31 of the Notes forming part of the financial statements in the Annual Report, there were no other material related party transactions. These transactions do not have any potential conflict with the interests of the Company at large. Further, there are no material related party transactions that are not in the normal course of business or not on arm's length basis. However, all the Related Party Transactions have been approved by the Audit Committee and the Board in compliance with the provisions of Section 188 of the Companies Act, 2013.

(B) Disclosure of accounting treatment:

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(C) Risk Management:

The Board has constituted a Risk Management Committee and has in place an integrated approach to manage risks inherent in various aspects of our business. The Company has established policy and procedures to periodically place before the Board the risk assessment and minimization procedures that are being followed by the Company and steps taken by it to mitigate these risks.

(D) Proceeds from Public Issue, Rights Issue, Preference Issue etc.:

The Company has not raised any capital during the year ended 31st March, 2015.

(E) Remuneration of Directors:

Mr. CP Rangachar, Managing Director is in receipt of salary in the scale of Rs. 350,000 – Rs. 600,000 with authority to Board to fix the annual increments.

Details of Remuneration paid to the Managing Director, during the year, 2014-15*.

(Rs. In lakhs)

Name	Salary	Value of Perquisites	Contribution to Provident and Superannuation Fund	Leave encashment	Total
Mr. CP Rangachar	36.00	4.12	9.72	3.00	52.84

* Excludes charge for gratuity as separate actuarial valuation figures are not available.

There are no stock options issued to the Managing Director.

Commission payable to the Directors is calculated based on the net profits of the Company in particular financial year and is determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to the overall ceiling as stipulated in section 197 of the Companies Act, 2013. Commission is the only component of

remuneration, which is performance linked and the other components are fixed.

However, no Commission is being paid to the Directors for the year 2014-15.

No Stock Options have been issued to the Independent Directors.

The compensation of the Non-Executive Directors is in the form of sitting fee and commission not exceeding 1% of the net profits of the Company so long as the Company has a Whole-time Director and / or Managing Director, as recommended by the Nomination & Remuneration Committee and Board of Directors and approved by the shareholders.

All the Directors except the Managing Director were in receipt of sitting fee of Rs. 10,000/- per meeting.

Sitting Fee paid to the Directors:

Director	Meeting						Total
	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	C S R Committee	Risk Management Committee	
Mr. O. Tanaka	1	-	-	-	-	-	10,000
Mr. S. Hattori	1	-	-	-	-	-	10,000
Mr. R. Srinivasan	5	4	-	-	-	-	90,000
Capt. N. S. Mohanram	5	4	-	-	-	-	90,000
Dr. Premchander	3	-	-	-	-	-	30,000
Mrs. Vidya Rangachar	-	-	-	-	-	-	-
				Total			230,000

Mrs. Vidya Rangachar, Additional Director holds 4,000 shares in the Company.

There is no notice period and severance pay. No stock options have been given to any of the Directors.

(F) Management Discussion and Analysis:

The management's discussion and analysis report forms part of the Annual Report.

CEO/CFO CERTIFICATION:

The Managing Director being the Chief Executive Officer (CEO) and the Vice President – Finance being the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2015, which is annexed hereto.

GENERAL BODY MEETING:

Particulars of the past three Annual General Meetings held by the Company are furnished below:

Year	Date	Location	Time
2011-12	30th August, 2012	Regd. Office: PB 16, Whitefield Road, Whitefield, Bangalore – 560066.	10.30am
2012-13	18th September, 2013	Regd. Office: PB 16, Whitefield Road, Whitefield, Bangalore – 560066.	10.30 am
2013-14	09th September, 2014	Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore – 560025.	11.00 am

MEANS OF COMMUNICATION:

The quarterly financial results of the Company were sent to the Stock Exchanges immediately after the Board took the same on record through e-mail and courier.

The quarterly financial results are being published in the Financial Express (English) and HosaDigantha (Kannada) newspapers.

The quarterly results were also hosted in the Company's website: www.yukenindia.com

No presentation has been made to Institutional Investors or to Analysts.

GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting : 15th September, 2015 at Woodland Hotel Pvt. Ltd.
No. 5, Raja Ram Mohan Roy Road, Bangalore – 560025 at 10.00 AM
- b) Financial Calendar
 - i) Financial Year : April to March
 - ii) First Quarter Results : July
 - iii) Second Quarter Results : October
 - iv) Third Quarter Results : February
 - v) Year end Results : May
- c) Date of Book Closure : 11th September, 2015 to 15th September, 2015
- d) Proposed Dividend : 15% on equity shares
- e) Dividend payment date : 30 days from the date of AGM
- f) Listing of shares

Company's shares were listed at the following Stock Exchanges during the year 2014-15:

1. Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Scrip Code: 522108

2. Ahmedabad Stock Exchange Limited (ASE)

Kamadhenu Complex,
Opposite – Sahajanand College,
Panjarapole,
Ahmedabad – 380015.
Scrip Code: 68030

3. The Bangalore Stock Exchange Limited (BgSE)

Stock Exchange Towers,
51, 1st Cross, JC Road,
Bangalore – 560027.
Scrip Code: 522108

The listing fees for the year 2014-15 have been paid to the above Stock Exchanges.

Registrar and Share Transfer Agents:

Karvy Computershare Pvt. Ltd.,
Karvy Selenium Tower-B,
Plot Nos. 31 & 32, Financial District,
Gachibowli, Nanakramguda,
Serilingampally, Hyderabad- 500 008.
Phone: 040-23420815-28

g) Market Price Data:

High – Low market price data during each month in the year 2014-15 at Bombay Stock Exchange is furnished below:

Sl. No.	Month	High	Low
1	APR	181.00	159.90
2	MAY	217.95	150.00
3	JUN	225.00	189.95
4	JUL	247.00	186.00
5	AUG	215.95	181.00
6	SEP	235.75	196.00
7	OCT	273.00	193.00
8	NOV	335.00	248.00
9	DEC	309.00	262.50
10	JAN	300.00	261.20
11	FEB	291.20	255.00
12	MAR	270.60	199.60

The trading in the other stock exchanges were negligible during the year ended 31st March, 2015.

h) Share Transfer System:

All the transfers received are processed and approved by the Stakeholders Relationship Committee at its meetings.

The Company's Registrar and Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd., Hyderabad have adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as may be required by the Registrars and Share Transfer Agents. In compliance with the Listing Guidelines, a Practicing Company Secretary audits the system every half-year and a certificate to that effect is issued and the same is filed with the Stock Exchanges.

The Company has not issued any ADRs / GDRs / Warrants or any Convertible Instruments.

The Company had no transfer of shares pending as on 31st March, 2015.

i) Distribution Schedule – Consolidated as on 31/03/2015:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount(Rs)	% of Amount
0 – 5000	3,431	90.48	395,876	3,958,760	13.20%
5001 – 10000	197	5.20	154,820	1,548,200	5.16%
10001 – 20000	80	2.11	115,638	1,156,380	3.85%
20001 – 30000	31	0.82	76,491	764,910	2.55%
30001 – 40000	13	0.34	44,832	448,320	1.49%
40001 – 50000	11	0.29	48,861	488,610	1.63%
50001 – 100000	10	0.26	74,257	74,257	2.48%
100001 & Above	19	0.50	2,089,225	20,892,250	69.64%
Total	3,792	100.00%	3,000,000	30,000,000	100.00%

j) Plant location / address for correspondence:

The Company's plant is located at Bangalore, Karnataka.

Address for communication:

Yuken India Limited
PB 16, Whitefield Road,
Whitefield,
Bangalore – 560066.
Karnataka, India.
Telephone: 080 - 28453810, 28452262
Fax: 080 - 28452261, 28451560
Email: yilinfo@yukenindia.com

k) Shareholding Pattern as on 31st March, 2015:

Category	No. of shares held	Percentage of Shareholding
Promoters' holding	1,575,052	52.50
Mutual Funds / UTI	1,500	0.05
Private Corporate Bodies	172,792	5.76
Indian Public	1,176,031	39.20
NRIs/OCBs	70,301	2.34
Clearing Members	4,324	0.14
Grand Total	3,000,000	100.00

l) Directors seeking appointment / re-appointment:

As required under Clause 49(VIII)(E), particulars of Directors seeking appointment/re-appointment are given in the Explanatory Statement and Annexure to the Notice of the Annual General Meeting to be held on 15th September, 2015.

STATUS OF COMPLIANCE OF NON-MANDATORY REQUIREMENTS:**1. Audit qualifications:**

There were no qualifications in Auditor's Report, during the year.

2. Separate posts of Chairman and CEO:

While Mr. Osamu Tanaka is the Chairman, Mr. C. P. Rangachar is the Managing Director / CEO of the Company.

3. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

Annexure-6

MANAGEMENT DISCUSSION AND ANALYSIS**OVERVIEW**

The Indian economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. The manufacturing sector is likely to benefit from lower interest rates. The share of investments in Gross Domestic Product has increased significantly and is expected to pick up. The GDP growth is expected to be around 7 to 7.40% for the year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The role of technology has evolved from supporting Corporations to transforming them. The ability to design, develop, implement and maintain advanced technology platform and solution to address business and customer needs has become a competitive advantage and a priority for Corporations worldwide. Concurrently, the prevalence of multiple technology platforms and a greater emphasis on network security and redundancy have increased the complexity, costs and risks associated with these technology platforms have created a growing need for specialists with experience in leveraging technology to help drive business strategy. Inspired by Yuken – Japan, our value system comprises – service to customers; deep sense of responsibility; respect for human beings; quality and frugality in all we do.

Machine tools industry's average capacity utilization was 75% - 80% during the year 2014-15. Key problem areas in the industry are shortage of power and lack of demand in domestic and export demand. Implementation of the following measures may help the industry gain a quicker revival:

1. Lower interest rates and power rates,
2. Infrastructure development,
3. Improved power and raw material availability to the industry, and
4. Faster implementation of GST.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS**OPPORTUNITIES:**

The Company is one of the leading manufacturers and suppliers of power saving Oil Hydraulics with state of the art, technology, efficiency and reliability. We provide a comprehensive range of hydraulic products, services both within and outside India.

We believe in our competitive strengths which include leadership in solutions that enable our customers to optimize the efficiency of their business, commitment to superior quality, long standing client relationships and competitive pricing. Some of the key trends in the Industry that are favorable to the Company to exploit these emerging opportunities are:

- i) Customers are more comfortable in continuing to partner with us in view of enhanced quality, reduced lead time and competitive prices and service.
- ii) Customers are also demanding delivery excellence from distributed business units using uniform processes globally to deliver a high quality of service.

In order to leverage these opportunities, the Company has over the years, extended its geographic foot print for effectively marketing its offers.

THREATS:

Some of the key changes in the industry unfavorable to the Company are:

- i) To cater to increasing customer demand with strong technology and domain knowledge, the Company will have to invest increasingly higher amounts in equipment and facilities.
- ii) Our business may suffer if we fail to anticipate and develop new products in a fixed time schedule and enhance the existing products in order to keep pace with rapid changes in technology and in the industries on which we focus. A strong engineering base is needed to accomplish this.

- iii) There is continuing concern on input cost increase, it may not be possible for the Company to pass on the cost increase through pricing.
- iv) High inventory and receivables may hamper the process of financial planning.
- v) Threat from Chinese Market.

RISK IDENTIFICATION & MITIGATION

The Company has in place a risk management framework which aims at identifying, assessing, minimizing and monitoring various risks across the Organization. Identification of risks is done through focused discussions at various management levels and at the Board Meeting.

Our internal risk control systems are tailored to the specific requirements of various departments in the Company. Possible risks under different segments viz., operations, finance, compliance related matters are monitored from time to time and managed efficiently. The internal auditors perform internal audit functions periodically to ascertain the adequacy and effectiveness of the operations and also give suggestions to improve the processes and strengthen controls of the existing processes.

FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

FINANCIAL OVERVIEW

Year ending 31st March	2011	2012	2013	2014	2015
Sales/Other Income	14,915	17,198	15,523	16,512	18,610
Profit before tax	1,466	1,539	331	315	57
Profit before tax to Sales %	9.82	9.03	2.13	1.91	0.31
Profit after tax	980	1,036	201	254	73
Profit after tax to Sales %	6.57	6.08	1.29	1.54	0.40
Return on Capital Employed %	25	21	9	10	16
Return on Networth %	23	20	4	5	1.23
Book value per share (Rs.)	142	174	176	184	184
Earnings per share (Rs.)	32.68	34.54	6.71	8.46	2.43
Dividend %	25	25	15	15	15

HUMAN RESOURCE MANAGEMENT

The Company continues to believe in the policy that people are its vital assets. The Company has in place policies which are aimed at encouraging innovation, recognizing talent and creating performance driven environment. The Company constantly endeavors to provide a platform for individual opportunities and growth of the people across the Board.

CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" describing the Company's situation may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from that either expressed or implied.

CERTIFICATE

To the Members of Yuken India Limited

We have examined the compliance of conditions of Corporate Governance by Yuken India Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management . Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

for Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No: 008072S

Place: Bangalore

Date : May 9, 2015

S. Ganesh

Partner

Membership No. 204108

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, C P Rangachar, Chief Executive Officer & the Managing Director and H M Narasinga Rao, Chief Financial Officer & Vice President – Finance of Yuken India Limited, Bangalore, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2015 and that to the best of our knowledge and belief,
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee,
 - i) significant changes in internal controls during the period;
 - ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
 - iii) instances of significant fraud if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

(H. M. NARASINGA RAO)

Chief Financial Officer &
VP – Finance

(C. P. RANGACHAR)

Chief Executive Officer &
Managing Director

Place: Bangalore

Date: 09th May, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1.0 Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of YUKEN INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- 3.2 We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 3.3 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cashflows for the year ended on that date.

5.0 Report on Other Legal and Regulatory Requirements

- 5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

5.2 As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid stand alone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations which would impact its financial position ;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Place: Bangalore
Date : May 9, 2015

S. Ganesh
Partner
Membership No. 204108

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 5.1 of our report of even date)

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

ii) In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories. All material discrepancies noticed on physical verification have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There are no amounts that are due to be transferred to the Invest or Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.

- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

for Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No: 008072S

Place: Bangalore

Date : May 9, 2015

S. Ganesh

Partner

Membership No. 204108

Balance Sheet as at 31 March, 2015

Particulars		Note No.	As at 31 March, 2015	As at 31 March, 2014
			Rs. in lakhs	Rs. in lakhs
A	EQUITY AND LIABILITIES			
1	Shareholders funds			
	(a) Share capital	3	300.00	300.00
	(b) Reserves and surplus	4	5,182.22	5,178.52
			5,482.22	5,478.52
2	Non-current liabilities			
	(a) Long-term borrowings	5	133.71	187.50
	(b) Deferred tax liabilities (net)	35	406.68	438.13
	(c) Other long-term liabilities	6	500.17	472.62
	(d) Long-term provisions	7	161.09	175.59
			1,201.65	1,273.84
3	Current liabilities			
	(a) Short-term borrowings	8	3,173.99	2,962.68
	(b) Trade payables	9	3,859.98	3,411.74
	(c) Other current liabilities	10	728.66	646.94
	(d) Short-term provisions	11	81.35	85.75
			7,843.98	7,107.11
	TOTAL		14,527.85	13,859.47
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12.a	4,973.71	5,039.96
	(ii) Intangible assets	12.b	66.63	88.41
	(iii) Capital work-in-progress		35.63	23.01
			5,075.97	5,151.38
	(b) Non-current investments	13	345.41	345.41
	(c) Long-term loans and advances	14	227.37	108.85
	(d) Other non-current assets	15	4.42	2.89
			5,653.17	5,608.53
2	Current assets			
	(a) Inventories	16	2,665.27	2,516.76
	(b) Trade receivables	17	5,502.01	5,102.34
	(c) Cash and Bank Balances	18	65.52	96.48
	(d) Short-term loans and advances	19	552.90	499.30
	(e) Other current assets	20	88.98	36.06
			8,874.68	8,250.94
	TOTAL		14,527.85	13,859.47
	See accompanying notes forming part of the financial statements	1 - 36		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
Partner

C.P.Rangachar
Managing Director

R. Srinivasan
Director

Dr.Premchander
Director

H. M. Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place : Bangalore
Date : 9th May 2015

Statement of Profit and Loss for the year ended 31 March,2015

	Particulars	Note No.	For the Year ended 31 March,2015	For the Year ended 31 March,2014
			Rs. in lakhs	Rs. in lakhs
1	Revenue from operations (gross)	21	20,365.97	18,316.45
	Less : Excise duty	21	1,954.13	1,867.83
	Revenue from operations (net)		18,411.84	16,448.62
2	Other income	22	198.18	63.67
3	Total revenue (1+2)		18,610.02	16,512.29
4	Expenses			
	(a) Cost of materials consumed	23.a	9,486.08	8,476.64
	(b) Purchases of stock-in-trade(Traded Goods)	23.b	15.91	22.66
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.c	36.12	(305.56)
	(d) Employee benefit expenses	24	3,189.85	2,836.31
	(e) Finance costs	25	417.64	375.79
	(f) Depreciation and amortisation expense	12.c	458.06	431.34
	(g) Other expenses	26	4,949.43	4,560.98
	Total expenses		18,553.09	16,398.16
5	Profit/(Loss) before exceptional item and tax (3 - 4)		56.93	114.13
6	Exceptional item	27	-	200.59
7	Profit/(Loss) before tax (5+6)		56.93	314.72
8	Tax expense/(Benefit):			
	(a) Current tax expense		15.00	70.00
	(b) Less: MAT credit		(6.10)	(20.00)
	(c) Deferred tax		(24.77)	10.98
	Net tax expense		(15.87)	60.98
9	Profit/(Loss) for the Year (7 - 8)		72.80	253.74
10	Earnings per share of Rs.10/- each -Basic and diluted	33	2.43	8.46
	See accompanying notes forming part of the financial statements	1 - 36		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
PartnerC.P.Rangachar
Managing DirectorR.Srinivasan
DirectorDr.Premchander
DirectorH. M. Narasinga Rao
Chief Financial OfficerSridevi Chintada
Company Secretary

Place : Bangalore

Date : 9th May 2015

Cash Flow Statement for the Year ended 31 March,2015

Rs in lakhs

Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
A) Cash flow from operating activities		
Profit/(Loss) before extraordinary items and tax	56.93	314.72
Adjustments for		
Depreciation and amortisation expenses	458.06	431.34
Interest expense	402.51	360.64
Provision for doubtful trade receivables (net)	23.57	21.61
Bad trade and other receivables written off	33.49	17.83
	974.56	1,146.14
Interest income	12.68	2.56
(Profit) /loss on sale of assets (net)	101.02	202.53
Net Unrealised Exchange gain/(loss)	(20.56)	17.22
Dividend income	0.06	0.06
Liabilities / provisions no longer required written back	30.52	-
Operating profit before working capital changes	850.84	923.77
Changes in working capital		
Adjustments for (increase) / decrease in operating assets		
1) Inventories	(148.51)	(565.75)
2) Trade receivables	(463.61)	(877.45)
3) Short-term loans and advances	16.70	90.51
4) Long-term loans and advances	(6.68)	(1.69)
5) Other current assets	(0.19)	(3.94)
6) Other non-current assets	(1.53)	7.76
	247.03	(426.79)
Adjustments for increase / (decrease) in operating liabilities		
1) Trade payables	437.48	(937.83)
2) Other current liabilities(OD A/c Increase)	134.90	(44.08)
3) Other long term liabilities	27.55	(68.39)
4) Short-term provisions	6.26	(12.00)
5) Long-term provisions	14.49	(26.26)
Cash generated from operations	826.21	661.77
Net income tax (paid) / refunds	(79.21)	(3.81)
Net cash flow from operating activities (A)	747.00	657.96
B) Cash flow from investing activities		
1) Capital Expenditure on fixed assets, including capital advances	(623.90)	(259.36)
2) Proceeds from sale of fixed assets	158.82	14.56
3) Bank Balance not considered as Cash & Cash Equivalent	51.76	(54.92)
4) Purchase of long-term investments - Subsidiary	-	(11.17)
5) Proceeds from Sale of Long Term Investment	-	135.00
6) Interest received	10.45	1.39
7) Dividend received	0.06	0.06
Net Cash flow from/(used in) Investing activities (B)	(402.81)	(174.44)
C) Cash flow from financing activities		
1) Repayment of Long term borrowing (Net)	(72.74)	(650.00)
2) Net increase / (decrease) in working capital borrowings	211.30	523.47
3) Finance Cost(Including Borrowing cost capitalised)	(405.16)	(358.54)
4) Dividends paid for previous year	(46.06)	(45.47)
5) Tax on dividend	(7.30)	(7.30)
Net Cash flow from / (used in) financing activities (C)	(319.96)	(537.84)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	24.23	(54.32)
Cash and Cash Equivalent at the beginning of the year	26.95	85.28
Effect of exchange differences on restatement of foreign currency		
Cash & Cash Equivalents	(3.43)	(4.01)
Cash and cash equivalents at the end of the year	47.75	26.95
Cash and cash equivalents as per Note 18	47.75	26.95

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
Partner

C.P.Rangachar
Managing Director

R. Srinivasan
Director

Dr.Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place : Bangalore
Date : 9th May 2015

Yuken India Limited
Notes forming part of the financial statements

Particulars

1.00 Corporate Information

Yuken India Limited (YIL) was established in 1976 in technical and financial collaboration with Yuken Kogyo Company Limited, Japan. YIL Manufacturing unit is located in Bangalore. Sales and distribution network is spread across India. Today YIL is the most preferred source of supply by most of the original equipment manufacturers in India. YIL manufacture wide range of Vane Pumps, Piston Pumps, Gear Pumps, Pressure Controls, Flow Controls, Directional Controls, Modular Control Valves, Servo Valves, Custom built/standard Hydraulic Systems and Chip Compactor. YIL established Foundry Division in 1984, catering to Hydraulics, Automobile, Machine Tools, Textile Machinery, Earth moving, Agriculture and Material Handling segments. YIL has been certified as an ISO-9001:2008.

2.00 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2.01 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.02 INVENTORIES

Inventories are valued as follows

(i)	a) Raw Materials & Components	}	At lower of cost on Moving Weighted Average value and net realizable value
(ii)	a) Material in transit b) Work in Process *	}	At lower of cost and net realizable value
(iii)	Finished Goods *		At lower of cost and net realizable value
(iv)	Tools		At lower of cost and net realizable value
(* Cost includes cost of material, direct labour and other applicable overheads)			

2.03 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.04 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.05 Depreciation / Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The useful life of Assets followed by the Company are as follows:

1. Electrical Installation	21 Years
2. Office equipments	21 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Technical knowhow fee -	5 years
ERP software -	5 years

2.06 Revenue recognition**Sale of goods**

Sales are recognized on dispatch of goods when significant risks and rewards of ownership are considered to be transferred. Sales returns are recognised as and when ascertained and are reduced from the sales turnover of the year. Sales are inclusive of excise duty and are net of Sales Tax.

Income from services

Revenue from Hydraulic Training programme is recognised on completion of the Training program.

2.07 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.08 Tangible fixed assets

Fixed Assets are capitalised at cost inclusive of taxes, incidental expenses on freight, installation etc. and interest on borrowed funds attributable to acquisition of fixed assets for the period upto the date such asset is put to use.

Fixed Assets taken on financial lease prior to April 1st ,2001 are not capitalised and lease rentals are absorbed in the Profit and Loss Account without reference to useful life of the asset, while assets acquired under Hire Purchase are capitalised.

2.09 Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Transactions in Foreign Currency are accounted at exchange rates prevailing on the date of Transaction. Monetary items denominated in foreign currency and forward exchange contracts outstanding as at the end of the year are re-stated at year end rates. The loss or gain arising on restatement / settlement is adjusted to the Statement of Profit and loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non monetary foreign currency items are carried at cost.

2.12 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.13 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

"The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

2.16 Earnings per share

In determining the earning per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.17 Taxes on income

Current Tax :

Current tax expense is determined in accordance with the applicable tax rate and the provisions of the Income - tax Act, 1961 and other applicable tax laws.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred Tax :

Deferred tax assets and liabilities are measured using the tax rate which have been enacted or substantively enacted at the Balance Sheet date. Deferred tax expense or benefit is recognized, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty of their realization. Where there is unabsorbed depreciation or carried forward losses and items related to capital losses, deferred tax asset is recognized only if there is virtual certainty supported by convincing evidences of realization of such asset.

2.18 Impairment of assets

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If any indication exists, an impairment loss is recognized when the carrying amount exceeds greater of net selling price and value in use.

A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	6,000,000	600.00	6,000,000	600.00
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00

Refer notes (i) to (iii) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
As at 31 March,2015		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00
As at 31 March,2014		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March,2015		As at 31 March,2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken Kogyo Co Ltd	1,200,000	40.00	1,200,000	40.00
- Benefic Investments & Finance Co P Ltd	347,952	11.60	347,952	11.60

(iii) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the share holders at the ensuing Annual General Meeting.

Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) General reserve		
Opening balance	555.58	542.58
Add : Transferred from Surplus in Statement of Profit and Loss	4.00	13.00
Closing balance	559.58	555.58
(b) Surplus in Statement of Profit and Loss		
Opening balance	4,622.94	4,434.50
Less: Depreciation on transition to schedule II of Companies Act 2013 on Tangible Fixed Assets with Nil remaining useful life (net of deferred tax) (Refer Note 34).	14.93	-
Add : Profit/(Loss) for the year	72.79	253.74
Dividends proposed to be distributed to equity shareholders (CY: Nil) (PY: Rs.1.50/- per share)	45.00	45.00
Tax on dividend	9.16	7.30
Transferred to general reserve	4.00	13.00
Closing balance	4,622.64	4,622.94
Total	5,182.22	5,178.52

Note 5 Long-term borrowings

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	133.71	187.50
Total	133.71	187.50

(i) Details of terms of repayment for long-term borrowings and security provided

Mizuho Bank Ltd loan - Secured by exclusive first charge on hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50/- lakhs each at an interest of 10.15%.

HDFC Bank Ltd Loan - Paripassu First Charge on the Movable Fixed Assets of Malur plant with Mizuho Bank Ltd, first Charge on the Factory Land and Building at Malur, first Exclusive charge on assets financed by the term Loan at Whitefield plant and repayable in quarterly installments at an interest of 11%

Note 6 Other long-term liabilities

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) Payables on purchase of fixed assets	-	11.18
(b) Trade / security deposits received	500.17	461.44
Total	500.17	472.62

Note 7 Long-term provisions

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
Provision for compensated absences (Refer Note 29)	161.09	175.59
Total	161.09	175.59

Note 8 Short-term borrowings

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) and (ii) below)	473.99	560.97
Unsecured	2,700.00	2,401.71
Total	3,173.99	2,962.68

Notes forming part of the financial statements**Details of security for the short-term borrowings**

- (i) SBI Cash Credit - Secured by first pari-passu charge on inventory, receivables and the entire other current assets of the Company (both existing and future) and first charge on unencumbered fixed assets.
- (ii) HDFC Bank Limited Overdraft -(a) Pari Parsu First charge on the movable Fixed Assets of Malur plant of the Company with Mizuho Bank Ltd, Bangalore. (b) First charge on Land and Building of Malur Plant of the Company.

Note 9 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Trade payables (Refer Note 28.2)	3,859.98	3,411.74
Total	3,859.98	3,411.74

Note 10 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	231.05	250.00
(b) Interest accrued but not due on borrowings	4.79	-
(c) Unpaid dividends	7.19	8.25
(d) Other payables		
(i) Statutory remittances	123.19	121.79
(ii) Payables on purchase of fixed assets	61.34	25.80
(iii) Payable towards superannuation	94.34	87.56
(iv) Payable towards defined benefit obligations (Refer Note No 29)	66.27	45.34
(v) Interest accrued on trade payables (Refer Note no 28.2)	2.49	7.43
(vi) Advance from customers	124.65	88.93
(vii) Security deposits Received	9.95	9.06
(viii) Others	3.40	2.78
Total	728.66	646.94

Note (i): Current maturities of long-term debt

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured	231.05	250.00
Total	231.05	250.00

Mizuho Bank Ltd loan - Secured by exclusive first charge on hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50/- lakhs each at an interest of 10.15%.

HDFC Bank Ltd Loan - Paripassu First Charge on the Movable Fixed Assets of Malur plant with Mizuho Bank Ltd, first Charge on the Factory Land and Building at Malur, first Exclusive charge on assets financed by the term Loan at Whitefield plant and repayable in quarterly installments at an interest of 11%

Note 11 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Provision for Employee Benefits (Refer note 29)		
(i) Provision for compensated absences	27.04	33.30
(b) Provision - Others		
(i) Provision for tax (net of advance tax of Rs.119.85 Lakhs (As at 31st March, 2014 - Rs.119.85 lakhs)	0.15	0.15
(ii) Provision for proposed dividend	45.00	45.00
(iii) Provision for tax on Proposed dividends	9.16	7.30
Total	81.35	85.75

Notes forming part of the financial statements

Note 12 (a) Fixed assets - Tangible

TANGIBLE ASSETS	Gross Block				Depreciation				Net Block	
	Balance as at	Additions	Disposals	Balance as at	Balance as at	Accumulated	Eliminated on	Depreciation	Balance as at	Balance as at
Particulars	1st Apr, 2014 Rs.	Rs.	Rs.	31st March, 2015 Rs.	1st Apr, 2014 Rs.	Depreciation For the year Rs.	Disposal of Assets Rs.	adjustment to opening reserves Rs.	31st March, 2015 Rs.	31st Mar, 2014 Rs.
Freehold Land	267.23	-	1.64	265.59	-	-	-	-	265.59	267.23
Buildings	1,700.02	54.82	100.25	1,654.59	302.11	46.85	67.63	-	1,373.26	1,397.91
Plant Machinery & Equipment	4,128.49	281.16	74.37	4,335.28	1,664.31	247.65	13.25	2.06	2,434.51	2,464.18
Electrical Installation	405.28	5.73	-	411.01	84.18	19.08	-	-	307.75	321.10
Furniture / Fixtures	121.01	4.88	-	125.89	66.98	15.49	-	2.92	40.50	54.03
Office Equipments	515.28	61.10	1.37	575.01	272.37	54.28	0.63	-	248.99	242.91
Jigs/Fixtures	522.46	83.12	5.84	599.74	283.29	31.62	0.47	13.12	272.18	239.17
Motor Vehicles	147.73	4.00	24.00	127.73	94.30	16.68	17.71	3.53	30.93	53.43
Total (A)	7,807.50	494.81	207.47	8,094.84	2,767.54	431.65	99.69	21.63	3,121.12	4,973.71
	(7,600.33)	(230.13)	(22.96)	(7,807.50)	(2,371.54)	(406.34)	(10.35)	-	(2,767.54)	(5,039.96)

Note 12 (b) Fixed assets - Intangible

INTANGIBLE ASSETS	Gross Block				Amortisation				Net Block	
	Balance as at	Additions	Deductions	Balance as at	Balance as at	Accumulated	Eliminated on	Depreciation	Balance as at	Balance as at
Particulars	1st Apr, 2014 Rs.	Rs.	Rs.	31st March, 2015 Rs.	1st Apr, 2014 Rs.	Depreciation For the year Rs.	Disposal of Assets Rs.	adjustment to opening reserves Rs.	31st March, 2015 Rs.	31st Mar, 2014 Rs.
Otherthan Internally Generated	-	-	-	-	-	-	-	-	-	-
ERP Software	235.25	4.63	-	239.88	159.08	22.32	-	-	58.48	76.17
Technical Fee	53.80	-	-	53.80	41.56	4.09	-	-	8.15	12.24
Total	289.05	4.63	-	293.68	200.64	26.41	-	-	66.63	88.41
	(249.63)	(39.42)	-	(289.05)	(175.64)	(25.00)	-	-	(200.64)	(88.41)
Total (a) + (b)	8,096.55	499.44	207.47	8,388.52	2,968.18	458.06	99.69	21.63	5,040.34	5,128.36

Note 12 (c) Depreciation and amortisation expenses relating to continuing operation

Particulars	For the year Ended 31st March 2015 Rs.	For the year Ended 31st March 2014 Rs.
Depreciation and amortisation for the year on tangible assets as per Note(a)	431.65	406.34
Amortisation for the year on intangible assets as per Note(b)	26.41	25.00
Depreciation and Amortisation Relating to Continuing Operations	458.06	431.34

Note: Figures in brackets relates to previous year.

Notes forming part of the financial statements

Note 13 Non-current investments

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
Investments (At cost)- :		
A.Trade		
a) Investment in equity shares of subsidiaries		
996,000 (As at 31.03.2014 : 996,000,) fully paid equity shares of Rs.10/-each of Yuflow Engineering Pvt Ltd.	160.20	160.20
619,100 (As at 31.03.2014 :619,100) fully paid equity shares of Rs.10/- each of Coretec Engineering India Pvt Ltd.	23.14	23.14
	183.34	183.34
b) Investment in equity shares of associates		
360,000 (As at 31.03.2014 : 360,000) fully paid equity shares of Rs 10/- each of Sai India Ltd	20.00	20.00
437,100 (As at 31.03.2014 : 437,100) fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd.	43.71	43.71
	63.71	63.71
c) Investment in equity shares of others		
941,330 (As at 31.03.2014 : 941,330) fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Pvt Limited	94.13	94.13
	94.13	94.13
Total - Trade (A)	341.18	341.18
B.Other investments		
a) Investment in equity shares of associates		
37,300 (As at 31.03.2014 : 37,000) fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd	3.73	3.73
	3.73	3.73
b) Investment in equity shares of others		
2,000 (As at 31.03.2014 : 2,000) fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd	0.50	0.50
	0.50	0.50
Total - Other investments (B)	4.23	4.23
Total (A+B)	345.41	345.41
Aggregate amount of unquoted investments	345.41	345.41

Note 14 Long-term loans and advances

Unsecured, considered good

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) Capital advances	111.84	-
(b) Security deposits	108.03	97.80
(c) Loans and advances to employees	4.99	8.69
(d) Prepaid expenses	1.10	0.95
(e) Other loans and advances	1.41	1.41
Total	227.37	108.85

Note 15 Other non-current assets

Unsecured, considered good

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
Others		
Balance held as margin money account (refer note below)	4.42	2.89
Total	4.42	2.89

Note - Balances in margin accounts are under lien.

Notes forming part of the financial statements**Note 16 Inventories**

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,430.22	1,255.53
(b) Goods-in-transit - rawmaterial	17.78	23.76
(c) Work-in-progress	592.71	759.97
(d) Finished goods (other than those acquired for trading)	540.09	367.63
(e) Stock-in-trade	5.18	18.81
(f) Loose tools	79.29	91.06
Total	2,665.27	2,516.76

For details of work in progress, refer note 23(c)

Note 17 Trade receivables

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	421.51	462.63
Doubtful	131.93	108.36
	553.44	570.99
Less: Provision for doubtful trade receivables	131.93	108.36
	421.51	462.63
Other trade receivables		
Unsecured, considered good	5,080.50	4,639.71
	5,080.50	4,639.71
Total	5,502.01	5,102.34

Note 18 Cash and Bank balances

Particulars	As at 31 March,2015	As at 31 March,2014
	Rs. in lakhs	Rs. in lakhs
(A) Cash and cash equivalents(as per AS 3 Cash Flow Statement)		
(a) Cash on hand	4.35	5.00
(b) Balances with banks		
(i) In current accounts	8.41	12.50
(ii) In EEFC accounts	6.00	1.59
(iii) In earmarked accounts		
- Balance held as margin money	28.99	7.86
Total Cash and cash equivalents as per AS 3 Cash Flow Statement (A)	47.75	26.95
(B) Other bank balances		
In Earmarked accounts		
- Unpaid dividend accounts	7.19	8.25
- Balance held as margin money	10.58	61.28
Total other bank balances (B)	17.77	69.53
Cash and Bank balances(A + B)	65.52	96.48

Notes forming part of the financial statements

Note 19 Short-term loans and advances

Unsecured, considered good unless otherwise stated

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Advances to related parties	13.91	3.93
(b) Security deposits	12.67	13.94
(c) Loans and advances to employees	10.15	12.45
(d) Prepaid expense	35.69	35.87
(e) Balances with government authorities		
CENVAT credit receivable	73.62	84.63
VAT credit receivable	20.17	15.00
Service tax credit receivable	3.23	32.14
	97.02	131.77
(f) Advance income tax (net of provision for income tax of Rs.2,681.30 lakhs (as at 31st March 2014 Rs. 2,666.30/- lakhs)	89.73	25.52
(g) MAT credit entitlement	92.10	86.00
(h) Advance to suppliers	191.08	179.77
(i) Others	10.55	10.05
Total	552.90	499.30

Note 20 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	4.29	2.05
Other receivables(Rs.50 lakhs towards sale of Fixed Asset & Rs.1.81 lakhs towards sale of Power generation)	51.81	0.71
Duty drawback receivable	8.86	9.29
Rent receivable	8.44	7.94
Others	15.58	16.07
Total	88.98	36.06

Note 21 Revenue from operations

Sl. No.	Particulars	For the year ended 31 March, 2015	For the year ended 31 March , 2014
		Rs. in lakhs	Rs. in lakhs
(a)	Sale of products(Refer Note (i) below)	20,248.65	18,215.48
	Less : Excise duty	1,954.13	1,867.83
		18,294.52	16,347.65
(b)	Other operating revenues (Refer Note (ii) below)	117.32	100.97
	Total	18,411.84	16,448.62

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March , 2014
		Rs. in lakhs	Rs. in lakhs
(i)	Sale of products comprises :		
	<u>Manufactured goods</u>		
	Hydraulic pump, valves, etc	13,949.87	12,886.33
	Hydraulic systems	3,956.14	3,575.94
	Cast Iron castings	2,306.29	1,711.29
	Total - sale of Manufactured goods	20,212.31	18,173.56
	<u>Traded goods</u>		
	Cartridges	28.10	36.07
	Other Items	8.24	5.85
	Total - sale of traded goods	36.34	41.92
	Total - sale of Products	20,248.65	18,215.48
(ii)	Other operating revenues comprises :		
	Training and other services rendered	90.03	81.78
	Duty drawback	13.18	12.20
	Export Incentive received	1.58	
	Income from generation of power	12.53	6.99
	Total	117.32	100.97

Notes forming part of the financial statements

Note 22 Other income

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Interest income (Refer Note (i) below)	45.27	37.74
(b)	Dividend from long term Investment - others	0.06	0.06
(a)	Other non-operating income (Refer Note (ii) below)	152.85	25.87
	Total	198.18	63.67

Note	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(i)	Interest income comprises:		
	a) on deposits with banks	7.46	2.31
	b) on overdue trade receivables	32.59	35.18
	c) on others	5.22	0.25
	Total	45.27	37.74
(ii)	Other non-operating income comprises:		
	a) Liabilities/ provisions no longer required written back	30.52	-
	b) Profit on sale of fixed assets (net)	101.02	1.94
	c) Insurance claim received	-	0.40
	d) Miscellaneous income	21.31	23.53
	Total	152.85	25.87

Note 23.a Cost of materials consumed

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Opening stock	1,255.53	1,001.05
(b)	Add : Purchases	9,660.77	8,731.12
		10,916.30	9,732.17
(c)	Less : Closing stock	1,430.22	1,255.53
	Cost of Materials Consumed	9,486.08	8,476.64

Note	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(i)	Raw materials consumed comprises:		
	Steel	289.94	279.39
	Castings	819.19	749.87
	Others	8,376.95	7,447.38
	Total	9,486.08	8,476.64

Note: Details of others have not been given since none of the individual items constitutes greater than 10% of the value.

Note 23.b Purchases of stock-in-trade (Traded Goods)

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(i)	Cartridges	13.00	17.92
(ii)	Other Items	2.91	4.74
	Total	15.91	22.66

Notes forming part of the financial statements

Note 23.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
	<u>Inventories at the end of the year:</u>		
(a)	Finished goods	465.57	320.79
(b)	Work-in-progress (Refer Note below)	592.70	759.97
(c)	Stock-in-trade	5.18	18.81
		1,063.45	1,099.57
	<u>Inventories at the beginning of the year:</u>		
(a)	Finished goods	320.79	259.31
(b)	Work-in-progress	759.97	506.44
(c)	Stock-in-trade	18.81	28.26
		1,099.57	794.01
	Net (increase) / decrease	36.12	(305.56)
	Note: Details of inventory of Work-in-progress		
	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs.in lakhs	Rs.in lakhs
	Hydraulic elements	328.23	393.02
	Hydraulic power units	73.49	55.99
	Cast Iron castings and alloyed Iron castings	102.89	209.22
	Gear pumps	88.10	101.74
		592.71	759.97

Note 24 Employee benefits expense

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Salaries and wages	2,740.33	2,447.04
(b)	Contributions to provident and other funds (Refer Note 29)	274.67	218.86
(c)	Staff welfare expenses	174.85	170.41
	Total	3,189.85	2,836.31

Note 25 Finance costs

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Interest expenses on borrowings	401.15	355.49
(b)	Interest on dealers deposits and others	16.49	20.30
	Total	417.64	375.79

Notes forming part of the financial statements

Note 26 Other expenses

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Consumption of stores and spare parts	433.64	414.76
(b)	Tools consumed	124.82	128.70
(c)	Consumption of packing materials	240.96	204.81
(d)	Increase / (decrease) of excise duty on inventory	27.68	(1.12)
(e)	Subcontracting	1,129.49	1,155.67
(f)	Power and fuel	692.56	552.21
(g)	Rent including lease rentals (Refer Note 32)	119.72	103.43
(h)	Repairs and maintenance - Buildings	41.33	61.17
(i)	Repairs and maintenance - Machinery	273.53	244.21
(j)	Repairs and maintenance - Others	10.46	9.15
(k)	Vehicle maintenance	98.21	86.10
(l)	Insurance	13.21	8.99
(m)	Rates and taxes	60.47	65.21
(n)	Travelling and conveyance	406.95	378.66
(o)	Freight and forwarding	299.05	293.68
(p)	Donations and contributions	0.60	0.25
(q)	Legal and professional charges	270.79	262.23
(r)	Payments to auditors (Refer Note (i) below)	17.24	15.12
(s)	Bad trade and other receivables written off	33.49	17.83
(t)	Net loss on foreign currency transactions and translation (other than considered as finance costs)	41.03	4.57
(u)	Provision for doubtful trade receivables (net) (Note: Rs.13.86 lakhs (For Year Ended 31st March 2014 - Rs.5.87 Lakhs) released for bad debts.)	23.57	21.61
(v)	Miscellaneous expenses	590.63	533.74
	Total	4,949.43	4,560.98

Note	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(i)	Payments to the auditors comprises (net of service tax input credit):		
	a) For statutory audit	11.25	11.25
	b) For taxation matters	2.00	1.50
	c) For company law matters	0.75	1.50
	d) Reimbursement of expenses	3.24	0.87
	Total	17.24	15.12

Note 27 Exceptional items

Sl. No.	Particulars	For the year ended 31 March ,2015	For the year ended 31 March ,2014
		Rs. in lakhs	Rs. in lakhs
(a)	Profit on sale of Investments	-	200.59
	Total	-	200.59

Notes forming part of the financial statements

Note 28 Additional information to the financial statements

	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Rs In lakhs	Rs In lakhs
28.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Corporate guarantee given by the Company on behalf of subsidiaries.	461.00	359.00
	(b) Bills discounted outstanding as at the year end	-	45.46
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	41.41	9.74
28.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Rs In lakhs	Rs In lakhs
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.68	24.10
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.44	6.77
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	7	-
	(iv) The amount of interest due and payable for the year	1.05	2.10
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.49	8.87
	Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
28.3	Disclosure as per Clause 32 of the Listing agreements with the Stock Exchanges		
	During the year the Company has not given any Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties. (PY:Nil)		
28.4	(i) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:		
As at 31 March, 2015		As at 31 March, 2014	
Rs. In lakhs	Foreign currency (In Lakhs)	Rs. In lakhs	Foreign currency (In Lakhs)
Trade receivables			
129.32	USD 2.06	113.63	USD 2.08
32.51	EUR 0.48	175.44	EUR 2.11
8.81	JPY 16.90	7.05	JPY 11.91
0.04	GBP 36	-	GBP -
Trade payables			
1,252.01	USD 20.03	907.28	USD 15.05
69.97	EUR 1.04	41.94	EUR 0.50
2.60	JPY 5.00	1.47	EUR 2.50
EEFC balances			
0.95	EUR 0.01	1.47	EUR 0.02
5.05	USD 0.08	0.12	USD 0.00
28.5	Value of imports calculated on CIF basis :	Year ended 31 March, 2015	Year ended 31 March, 2014
		Rs in lakhs	Rs in lakhs
	Raw materials	3,338.93	2,650.54
	Capital goods	16.99	10.91
	Total	3,355.92	2,661.45
28.6	Expenditure in foreign currency :	Year ended 31 March, 2015	Year ended 31 March, 2014
		Rs in lakhs	Rs in lakhs
	Brand fees	72.78	69.25
	Royalty	7.48	4.10
	Interest	0.22	0.99
	Others	30.61	56.95

Notes forming part of the financial statements

28.7	Details of consumption of imported and indigenous items	For the year ended 31 March, 2015	
		Rs in lakhs	%
	<u>Imported</u>		
	Raw materials	3,191.86 (2,527.77)	33.46 (29.01)
	Total	3,191.86 (2,527.77)	33.46 (29.01)
	<u>Indigenous</u>		
	Raw materials	6,346.25 (5,772.01)	66.54 (66.23)
	Consumable stores, spares and tools	- (414.76)	0.00 (4.77)
	Total	6,346.25 (6,186.77)	66.54 (70.99)
	Total	9,538.11 (8,714.54)	100.00 (100.00)

Note: Figures in brackets relate to the previous year

28.8	Earnings in foreign exchange :	Year ended 31 March, 2015	Year ended 31 March, 2014
		Rs in lakhs	Rs in lakhs
	Export of goods calculated on FOB basis	647.38	719.66
	Other income	11.71	1.65
28.9	Amounts remitted in Foreign currency during the year on account of Dividends	Year ended 31 March, 2015	Year ended 31 March, 2014
		Rs in lakhs	Rs in lakhs
	Amount of Dividends remitted in Foreign currency	18.00	18.00
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
	Total of shares held by them on which Dividend was due	1,200,000	1,200,000
	Years to which Dividend relates	2013-14	2012-13

Note 29 Disclosures under Accounting Standards

29.1	Employee benefit plans		
	<u>Defined contribution plan</u>		
	The Company makes provident fund and superannuation fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.115.47 lakhs (Year ended 31 March, 2014 Rs.107.93 lakhs) for provident fund contributions and Rs.95.76 lakhs (Year ended 31 March, 2014 Rs.88.34 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
29.2	<u>Defined benefit plans</u>		
	The Company offers the following employee benefit schemes to its employees: (i) Gratuity (included as part of (b) in Note 24 Employee benefits expense) (ii) Long-term compensated absences (included as part of (a) in Note 24 Employee benefits expense) The following table sets out the funded status of gratuity and the amount recognised in the financial statements:		
		Rs in lakhs	
	Particulars	31 March,2015	31 March,2014
	Components of employer expense		
	Current service cost	21.01	18.44
	Interest cost	21.90	17.47
	Expected return on plan assets	(14.96)	(13.90)
	Actuarial losses/(gains)	35.49	1.44
	Total expense recognised in the Statement of Profit and Loss	63.44	23.45
	Actual contribution and benefit payments for year		
	Actual benefit payments	37.92	7.25
	Actual contributions	-	-
	Net asset / (liability) recognised in the Balance		
	Present value of defined benefit obligations	(273.95)	(233.80)
	Fair value of plan assets	207.68	188.46
	Funded status [Surplus / (Deficit)]	(66.27)	(45.34)
	Unrecognised past service costs	-	-
	Net asset / (liability) recognised in the Balance Sheet	(66.27)	(45.34)
	Change in defined benefit obligations (DBO) during the year		
	Present value of DBO at the beginning of the year	233.80	202.35
	Current service cost	21.01	18.44
	Interest cost	21.90	17.47
	Actuarial (gains) / losses	35.16	2.80
	Benefits paid	(37.92)	(7.25)
	Present value of DBO at the end of the year	273.95	233.81

Notes forming part of the financial statements

Change in fair value of assets during the year		
Plan assets at the beginning of the year	188.46	180.45
Expected return on plan assets	14.96	13.90
Actual company contributions	42.51	-
Actuarial gains / (losses)	(0.33)	1.36
Benefits paid	(37.92)	(7.25)
Plan assets at the end of the year	207.68	188.46
Actual return on plan assets	14.63	15.26
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	7.90%	9.00%
Expected return on plan assets	8.00%	8.00%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The Company is estimated to contribute Rs.66.27 lakhs towards gratuity funds during the next year.

Experience adjustments

	31 March,2015	31 March,2014	31 March,2013	31 March,2012	31 March,2011
(i) Gratuity					
Present value of defined benefit obligations	(273.95)	(233.80)	202.35	184.88	176.37
Fair value of plan assets	207.68	188.46	180.45	176.82	160.28
Funded status [Surplus / (Deficit)]	(66.27)	(45.34)	(21.90)	(8.06)	(16.09)
Experience gain / (loss) adjustments on plan liabilities	10.65	21.55	5.74	1.04	1.30
Experience gain / (loss) adjustments on plan assets	(0.33)	1.36	4.88	(8.55)	(2.12)

The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

(ii) Compensated absences

	Year ended 31 March, 2015	Year ended 31 March, 2014
Charge in the Statement of Profit and Loss	24.45	60.79
Liability as at the year end	188.13	208.89
Actuarial assumptions		
Discount rate	7.90%	9.00%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note	Particulars
30.1	Segment information The Company has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the company's revenues for the reporting period. Hence geographical segment is not reported. Business segments are primarily Hydraulic Business segment and Other Business segment. Hydraulic Business segment consists of hydraulic pumps, valves and hydraulic systems. Other business segment consists of Cast iron castings. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

30.2	Particulars	Hydraulic business	Other business	Eliminations	Unallocated	Total
	Revenue from operations	16,211.00	2,874.52	791.00	-	18,294.52
	Operating Income	80.00	24.00	-	13.32	117.32
		16,291.00	2,898.52	791.00	13.32	18,411.84
	Segment result before interest, other income and taxes	2,265.00	(673.00)		(1,315.25)	276.39
	Add: Other income	41.00	4.00		153.18	198.18
	Less: Finance costs				417.64	417.64
	Profit before taxes					56.93
	Taxes					(15.87)
	Profit after taxes					72.80

30.3	Other information				
	Particulars	Hydraulic business	Other business	Unallocated	Total
	Segment assets			14,346.02	14,346.02
	Segment liabilities			8,638.81	8,638.81
	Capital expenditure			512.06	512.06
	Depreciation			458.06	458.06

Notes:

a. There is no segmentwise bifurcation of Assets & Liabilities for Hydraulic Business and Other Business. Assets & Liabilities of the Company are jointly used by all segments.

b. The segment information is being presented in the manner above, for the first year by the Company, accordingly comparable information relating to the corresponding previous year were not available and hence not presented.

Notes forming part of the financial statements

Note 31 Disclosures under Accounting Standards (contd.)

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	1.Yuflow Engineering Pvt Ltd 2.Coretec Engineering India Pvt Ltd
Associates	1.Sai India Ltd 2.Bourton Consulting (India) Pvt Ltd 3.Kolben Hydraulics Ltd
Key Management Personnel (KMP)	C P Rangachar - Managing Director
Relatives of KMP	Vidya Rangachar- wife of Managing Director Madhuri Rangachar- daughter of Managing Director
Entity having significant influence	Yuken Kogyo Co Ltd

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015 Rs in lakhs

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant	Total
Purchase of fixed assets						
Coretec Engineering India Pvt Ltd.	127.51 (64.85)	- -	- -	- -	- -	127.51 (64.85)
Yuflow Engineering Pvt Ltd.	28.39 (12.90)	- -	- -	- -	- -	28.39 (12.90)
Sai India Ltd.	- -	- (0.72)	- -	- -	- -	- (0.72)
Purchase of goods and services received						
Coretec Engineering India Pvt Ltd.	768.74 (799.61)	- -	- -	- -	- -	768.74 (799.61)
Yuflow Engineering Pvt Ltd.	889.06 (787.07)	- -	- -	- -	- -	889.06 (787.07)
Yuken Kogyo Co Ltd.	- -	- -	- -	- -	1,803.91 (1,128.93)	1,803.91 (1,128.93)
Sai India Ltd.	- -	20.20 (14.52)	- -	- -	- -	20.20 (14.52)
Kolben Hydraulics Ltd.	- -	51.48 (43.93)	- -	- -	- -	51.48 (43.93)
Bourton Consulting (India) Pvt Ltd.	- -	3.03 -	- -	- -	- -	3.03 -
Sale of fixed assets						
Yuflow Engineering Pvt Ltd.	2.08 (1.99)	- -	- -	- -	- -	2.08 (1.99)
Coretec Engineering India Pvt Ltd.	1.09 (2.15)	- -	- -	- -	- -	1.09 (2.15)
Sai India Ltd.	- -	- (11.98)	- -	- -	- -	- (11.98)
Sale of goods and services						
Coretec Engineering India Pvt Ltd.	5.66 (1.20)	- -	- -	- -	- -	5.66 (1.20)
Yuflow Engineering Pvt Ltd.	72.93 (35.72)	- -	- -	- -	- -	72.93 (35.72)
Yuken Kogyo Co Ltd.	- -	- -	- -	- -	21.63 (21.95)	21.63 (21.95)
Kolben Hydraulics Ltd.	- -	1.09 (4.94)	- -	- -	- -	1.09 (4.94)
Sai India Ltd.	- -	28.92 (25.33)	- -	- -	- -	28.92 (25.33)
Dividend paid						
Yuken Kogyo Co Ltd.	- -	- -	- -	- -	18.00 (18.00)	18.00 (18.00)
C P Rangachar	- -	- -	0.32 (0.32)	- -	- -	0.32 (0.32)
Vidya Rangachar	- -	- -	- -	0.06 (0.06)	- -	0.06 (0.06)
Madhuri Rangachar	- -	- -	- -	0.03 (0.03)	- -	0.03 (0.03)

Notes forming part of the financial statements

Investment made in equity shares						
Coretec Engineering India Pvt Ltd.	-	-	-	-	-	-
	(11.14)	-	-	-	-	(11.14)
Corporate guarantee given						
Coretec Engineering India Pvt Ltd.	65.00	-	-	-	-	65.00
	-	-	-	-	-	-
Yuflow Engineering Pvt Ltd.	37.00	-	-	-	-	37.00
	-	-	-	-	-	-
Decrease in Corporate guarantee						
Yuflow Engineering Pvt Ltd.	-	-	-	-	-	-
	(27.05)	-	-	-	-	(27.05)
Directors remuneration						
Mr. C P Rangachar	-	-	40.12	-	-	40.12
	-	-	(40.86)	-	-	(40.86)
Payment towards expenses						
Mrs. Vidya Rangachar	-	-	-	1.80	-	1.80
	-	-	-	(1.80)	-	(1.80)
Advance towards purchase of goods and services						
Yuflow Engineering Pvt Ltd.	9.98	-	-	-	-	9.98
	-	-	-	-	-	-
Amount outstanding (Receivables)						
Coretec Engineering India Pvt Ltd.	80.04	-	-	-	-	80.04
	(40.77)	-	-	-	-	(40.77)
Yuflow Engineering Pvt Ltd.	139.61	-	-	-	-	139.61
	(105.72)	-	-	-	-	(105.72)
Yuken Kogyo Co Ltd.	-	-	-	-	11.78	11.78
	-	-	-	-	(7.02)	(7.02)
Sai India Ltd.	-	28.69	-	-	-	28.69
	-	(25.67)	-	-	-	(25.67)
Kolben Hydraulics Ltd.	-	16.18	-	-	-	16.18
	-	(27.14)	-	-	-	(27.14)
Amount outstanding (Advance towards purchase of goods and services)						
Yuflow Engineering Pvt Ltd.	9.98	-	-	-	-	9.98
	-	-	-	-	-	-
Bourton Consulting (India) Pvt Ltd.	-	3.93	-	-	-	3.93
	-	(3.93)	-	-	-	(3.93)
Amount outstanding (Payables)						
Coretec Engineering India Pvt Ltd	204.37	-	-	-	-	204.37
	(104.79)	-	-	-	-	(104.79)
Yuken Kogyo Co Ltd.	-	-	-	-	1,096.05	1,096.05
	-	-	-	-	(623.74)	(623.74)
Sai India Ltd.	-	20.20	-	-	-	20.20
	-	(19.85)	-	-	-	(19.85)
Yuflow Engineering Pvt Ltd.	-	-	-	-	-	-
	(7.51)	-	-	-	-	(7.51)
Kolben Hydraulics Ltd.	-	4.62	-	-	-	4.62
	-	(8.88)	-	-	-	(8.88)
Directors remuneration payable						
Mr C P Rangachar	-	-	4.52	-	-	4.52
	-	-	(4.28)	-	-	(4.28)
Guarantees given						
Coretec Engineering India Pvt Ltd.	249.00	-	-	-	-	249.00
	(184.00)	-	-	-	-	(184.00)
Yuflow Engineering Pvt Ltd.	212.00	-	-	-	-	212.00
	(175.00)	-	-	-	-	(175.00)

Note:

- a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.
- b) The above transactions are compiled from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.
- c) No amounts in respect of the related parties have been written off /written back or provided for during the year.
- d) Figures in brackets relates to the previous year.

Notes forming part of the financial statements

32	The Company has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the Statement of Profit and Loss for the year against these agreements is Rs. 119.72 Lakhs (Rs.103.43 Lakhs in 2013-14) which has been grouped under 'Rent' under note 26. There are no contingent rents payable.																																									
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014																																							
33	Earnings per share Basic and diluted Net profit for the year from operations attributable to the equity shareholders- Rs. in lakhs Weighted average number of equity shares- Rs. in lakhs Par value per share- Rs. Earnings per share from operations - Basic and diluted-Rs.	 72.80 30.00 10.00 2.43	 253.74 30.00 10.00 8.46																																							
34	During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs.14.93 lakhs (net of deferred tax of Rs. 6.68 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 17.28 lakhs consequent to the change in the useful life of the assets.																																									
35	(a) Provision for taxes on income The Company has book profit u/s 115JB of the Income Tax Act 1961 (the "Act") and the minimum alternate tax (MAT) there on is higher than the tax liability under the normal provisions of the Act. Thus, the provision towards tax liabilities has been made based on MAT. Correspondingly, the Company has also recognised credit for MAT under section 115JAA of the said Act, which is disclosed as MAT credit entitlement in the Statement of Profit and Loss. <table><tr><td></td><td colspan="2">Rs in lakhs</td></tr><tr><td>Particulars</td><td>As at 31 March, 2015</td><td>As at 31 March, 2014</td></tr><tr><td>(b) Deferred tax (liabilities) / assets</td><td></td><td></td></tr><tr><td><u>Tax effect of items constituting deferred tax liabilities</u></td><td></td><td></td></tr><tr><td>On difference between book balance and tax balance of fixed assets</td><td>568.27</td><td>555.76</td></tr><tr><td>Adjustment on account of depreciation adjustment in Reserves and surplus</td><td>(6.68)</td><td>-</td></tr><tr><td>Tax effect of items constituting deferred tax liability</td><td>561.59</td><td>555.76</td></tr><tr><td><u>Tax effect of items constituting deferred tax assets</u></td><td></td><td></td></tr><tr><td>Provision for compensated absences and gratuity</td><td>78.61</td><td>82.47</td></tr><tr><td>Others - Business loss</td><td>35.53</td><td>35.16</td></tr><tr><td>Provision for doubtful trade receivables</td><td>40.77</td><td>-</td></tr><tr><td>Tax effect of items constituting deferred tax assets</td><td>154.91</td><td>117.63</td></tr><tr><td>Net deferred tax (liabilities) / assets</td><td>406.68</td><td>438.13</td></tr></table>				Rs in lakhs		Particulars	As at 31 March, 2015	As at 31 March, 2014	(b) Deferred tax (liabilities) / assets			<u>Tax effect of items constituting deferred tax liabilities</u>			On difference between book balance and tax balance of fixed assets	568.27	555.76	Adjustment on account of depreciation adjustment in Reserves and surplus	(6.68)	-	Tax effect of items constituting deferred tax liability	561.59	555.76	<u>Tax effect of items constituting deferred tax assets</u>			Provision for compensated absences and gratuity	78.61	82.47	Others - Business loss	35.53	35.16	Provision for doubtful trade receivables	40.77	-	Tax effect of items constituting deferred tax assets	154.91	117.63	Net deferred tax (liabilities) / assets	406.68	438.13
	Rs in lakhs																																									
Particulars	As at 31 March, 2015	As at 31 March, 2014																																								
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Net deferred tax (liabilities) / assets	406.68	438.13																																								
36	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.																																									
Signatures to Notes 1 to 36 For and on behalf of the Board <table><tr><td>C. P. Rangachar Managing Director</td><td>R.Srinivasan Director</td><td>Dr. Premchander Director</td></tr><tr><td>H. M. Narasinga Rao Chief Financial Officer</td><td colspan="2">Sridevi Chintada Company Secretary</td></tr></table> Place: Bangalore Date: 9th May 2015				C. P. Rangachar Managing Director	R.Srinivasan Director	Dr. Premchander Director	H. M. Narasinga Rao Chief Financial Officer	Sridevi Chintada Company Secretary																																		
C. P. Rangachar Managing Director	R.Srinivasan Director	Dr. Premchander Director																																								
H. M. Narasinga Rao Chief Financial Officer	Sridevi Chintada Company Secretary																																									

Statement Pursuant to section 212 of the Companies Act 1956

SI No	Name of the Subsidiary Company	YUFLOW ENGINEERING PVT LTD	CORETEC ENGINEERING INDIA PVT LTD
1	Financial Year ending of the Subsidiary	31.03.2015	31.03.2015
2	Number of Shares Held	996,000	6,19,100
		(996,000 Equity Shares of Rs. 10/- each fully paid)	(619,100 Equity Shares of Rs. 10/- each fully paid)
3	Extent of Holding	100%	100%
4	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.6) (Rs. In Lakhs)	Nil	Nil
5	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	(36.93)	40.55
6	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.8) (Rs. In Lakhs)	Nil	Nil
7	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1.0 Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Yuken India Limited ("the Holding Company") and its subsidiaries ("the Group") and its associates comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

2.0 Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial Performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

3.0 Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 3.2 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 3.3 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
- 3.4 We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5.0 Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.1026.44 lakhs as at March 31, 2015, total revenues of Rs.311.77 lakhs and net cash flows amounting to Rs.(32.32)

lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.37.20 lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

6.0 Report on Other Legal and Regulatory Requirements

6.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

6.2 As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact the consolidated financial position of the Group and its associates.
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

for Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No: 008072S

S. Ganesh

Partner

Membership No. 204108

Place: Bangalore

Date : May 9, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 6.1 of our report of even date)

Our reporting on the Order includes two subsidiary companies and two associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and associate companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion, and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and associate companies incorporated in India:
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In, our opinion and in the opinion of the other auditors and according to the information and explanations given to, us and to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and in the opinion of the other auditors and according to the information and explanations given to, us and to the other auditors, the respective entities have maintained proper records of its inventories. All material discrepancies noticed on physical verification have been appropriately dealt with in the respective entities books of accounts.
- (iii) The Holding Company, subsidiary companies and associate companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In, our opinion and in the opinion of the other auditors and according to the information and explanations given to, us and to the other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company, subsidiary companies and associate companies commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of Holding, subsidiaries and associate companies audit by respective auditors, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company, subsidiary companies and associate companies incorporated in India have not accepted any deposit during the year. (In respect of unclaimed deposits, the Holding Company, subsidiary companies and associate companies have complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act).
- (vi) According to the information and explanations given to us, in our opinion, the Holding Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. We have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and associate companies incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities.
- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group and its associates does not have consolidated accumulated losses at the end of the financial year and the Group and its associates have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In, our opinion and in the opinion of the other auditors and according to the information and explanations given to, us and to the other auditors, the Holding Company, subsidiary companies and associate companies have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, subsidiary companies and associate companies incorporated in India have not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company, subsidiary companies and associate companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In, our opinion and in the opinion of the other auditors and according to the information and explanations given to, us and to the other auditors, the term loans have been applied by the Holding Company, subsidiary companies and associate companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies and associate companies and no material fraud on the Holding Company, its subsidiary companies and associate companies incorporated in India has been noticed or reported during the year.

for Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No: 008072S

S. Ganesh

Partner

Membership No. 204108

Place: Bangalore

Date : May 9, 2015

Consolidated Balance Sheet as at 31 March, 2015

Particulars		Note No.	As at 31 March, 2015	As at 31 March, 2014
			Rs. In Lakhs	Rs. In Lakhs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	300.00	300.00
	(b) Reserves and surplus	4	5,379.69	5,433.15
			5,679.69	5,733.15
2	Minority Interest		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	5	134.20	189.23
	(b) Deferred tax liabilities (net)	35	438.92	471.19
	(c) Other long-term liabilities	6	500.17	472.62
	(d) Long-term provisions	7	188.97	198.70
			1,262.26	1,331.74
4	Current liabilities			
	(a) Short-term borrowings	8	3,460.08	3,169.37
	(b) Trade payables	9	4,070.12	3,738.67
	(c) Other current liabilities	10	762.24	709.82
	(d) Short-term provisions	11	88.19	93.31
			8,380.63	7,711.17
	TOTAL		15,322.58	14,776.06
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12.a	5,406.80	5,486.55
	(ii) Intangible assets	12.b	66.97	88.93
	(iii) Capital work-in-progress	12	10.22	14.33
			5,483.99	5,589.81
	(b) Non-current investments	13	449.27	486.53
	(c) Long-term loans and advances	14	273.64	154.58
	(d) Other non-current assets	15	4.42	2.89
			6,211.32	6,233.81
2	Goodwill arising on consolidation		35.61	35.61
3	Current assets			
	(a) Inventories	16	2,928.64	2,710.65
	(b) Trade receivables	17	5,376.95	5,087.26
	(c) Cash and bank balances	18	72.11	135.39
	(d) Short-term loans and advances	19	608.97	553.17
	(e) Other current assets	20	88.98	20.17
			9,075.65	8,506.64
	TOTAL		15,322.58	14,776.06
	See accompanying notes forming part of the financial statements	1 - 38		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
Partner

R.Srinivasan
Director

Dr.Premchander
Director

C.P.Rangachar
Managing Director

Sridevi Chintada
Company Secretary

H. M. Narasinga Rao
Chief Financial Officer

Place : Bangalore
Date : 9th May 2015

Consolidated Statement of Profit and Loss for the year ended 31 March, 2015

	Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
			Rs. In Lakhs	Rs. In Lakhs
1	Revenue from operations (gross)		20,616.75	18,531.30
	Less : Excise duty		1,987.98	1,895.36
	Revenue from operations (net)	21	18,628.77	16,635.94
2	Other income	22	216.60	76.25
3	Total revenue (1+2)		18,845.37	16,712.20
4	Expenses			
	(a) Cost of materials consumed	23.a	8,979.61	8,085.50
	(b) Purchases of stock-in-trade	23.b	15.91	22.66
	(c) Changes in inventories of finished goods work-in-progress and stock-in-trade	23.c	31.72	(327.13)
	(d) Employee benefits expense	24	3,393.57	3,009.73
	(e) Finance costs	25	457.90	417.69
	(f) Depreciation and amortisation expense	12.c	518.83	464.17
	(g) Other expenses	26	5,402.59	4,984.61
	Total expenses		18,800.13	16,657.23
5	Profit before prior period expenses and exceptional item and tax (3 - 4)		45.24	54.96
6	Prior Period Expenses		-	-
7	Exceptional item	27	-	200.59
8	Profit before Tax (5-6+7)		45.24	255.55
9	Tax expense:			
	(a) Current tax expense		21.84	78.21
	(b) MAT credit entitlement		(6.10)	(20.00)
	(c) Short provision for tax relating to prior years		0.94	0.08
	(d) Deferred tax		(25.58)	22.42
	Net tax expense		(8.90)	80.71
10	Profit before minority interest/Equity earnings of Associates (8 - 9)		54.14	174.84
11	Less: Minority Interest		-	-
	Add: Equity earnings of Associates		(37.20)	(90.44)
12	Profit for the year		16.94	84.40
13	Earnings per share of Rs.10/- each:			
	Basic and diluted	33	0.57	2.81
	See accompanying notes forming part of the financial statements	1 - 38		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
PartnerR.Srinivasan
DirectorDr. Premchander
DirectorC.P.Rangachar
Managing DirectorSridevi Chintada
Company SecretaryH. M. Narasinga Rao
Chief Financial Officer

Place : Bangalore

Date : 9th May 2015

Consolidated Cash Flow Statement for the year ended 31 March, 2015

Rs In Lakhs

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		45.24		255.55
<u>Adjustments for:</u>				
Depreciation and amortisation	518.83		464.17	
Loss on sale of assets	-		0.82	
Profit on sale of assets	(101.83)		(1.94)	
Profit on Sale of Investment	-		(200.59)	
Interest expense	440.73		395.29	
Interest income	(13.90)		(5.44)	
Dividend income	(0.06)		(0.06)	
Liabilities / provisions no longer required written back	(36.13)		(0.12)	
Provision for doubtful trade and other receivables (Net)	23.57		21.61	
Bad trade and other receivables written off	37.89		23.59	
Unrealised exchange difference on translation of foreign currency cash and cash equivalents	(3.43)		(4.00)	
Net unrealised exchange gain/(loss) on other than cash and cash equivalent	(17.13)	848.54	21.23	714.56
Operating profit / (loss) before working capital changes		893.78		970.11
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(217.99)		(504.04)	
Trade receivables	(343.95)		(898.93)	
Short-term loans and advances	15.60		49.44	
Other current assets	(9.02)		(8.27)	
Other non current assets	(1.53)		7.76	
Long-term loans and advances	(7.22)		(1.58)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	320.70		997.39	
Other current liabilities	138.36		61.59	
Other long-term liabilities	27.55		68.37	
Short-term provisions	(6.27)		12.01	
Long-term provisions	(9.73)	(93.50)	31.37	(184.89)
Cash generated from operations		800.28		785.22
Net income tax (paid) / refunds		(79.25)		(2.95)
Net cash flow from / (used in) operating activities (A)		721.03		782.27
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances	(677.46)		(275.73)	
Proceeds from sale of fixed assets	185.37		27.02	
Purchase of long-term investments - Subsidiary	-		(11.17)	
Purchase of long-term trade investments - associate	-		-	
Advance against sale of investment in equity shares	-		-	
Proceeds from sale of Investment	-		135.00	
(Increase)/Decrease in Short term bank deposits	52.18		(55.42)	
Interest Income received	11.66		4.85	
Dividend received	0.06			
Net cash flow from / (used in) investing activities (B)		(428.19)		(175.45)
C. Cash flow from financing activities				
Repayment of long-term borrowings	(108.57)		(685.81)	
Net increase / (decrease) in working capital borrowings	290.71		472.38	
Proceeds/(repayment) from other short-term borrowings	-		(5.49)	
Finance Cost(Including Borrowing cost capitalised)	(428.25)		(395.29)	
Dividends and tax there on paid	(53.36)		(52.77)	
Net cash flow from / (used in) financing activities (C)		(299.47)		(666.98)
Net increase / (decrease) in Cash and Bank Balances (A+B+C)		(6.63)		(60.16)
Cash and Bank balances at the beginning of the year		64.38		128.54
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(3.43)		(4.00)
Cash and cash equivalents at the end of the year		54.32		64.38
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Note 18		54.32		64.38

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsS.Ganesh
Partner

For and on behalf of the Board of Directors

R.Srinivasan
DirectorDr. Premchander
DirectorC.P.Rangachar
Managing DirectorSridevi Chintada
Company SecretaryH M Narasinga Rao
Chief Financial Officer

Place : Bangalore

Date : 9th May 2015

Consolidated Notes forming part of the financial statements

1.00 BASIS OF CONSOLIDATION :**1.01 I) Preparation of Accounts :**

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / the Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 34.

1.02 II) Principles of Consolidation :

The Consolidated financial statements comprise the financial statements of Yuken India Ltd (the Holding Company) and its Subsidiary companies and the Group's share of profit/loss in its associates.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the subsidiary companies and associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e., 31st March, 2015.
- The Financial Statements of the Company and its Subsidiary Companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and resulting unrealized profits or losses.
- The consolidated financial statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per AS-23 - *Accounting for Investments in Associates in Consolidated Financial Statements*. Accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- The excess of cost to the Group of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus'.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- The difference between the cost of investment in the Associates and the share of net assets at the time of acquisition of shares in the Associates is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

1.03 Companies included in Consolidation :

Following Subsidiary Companies and Associates have been considered for the preparation of consolidated financial Statements

Particulars	Country of Incorporation	Ownership Proportion	
		31.03.2015	31.03.2014
Yuflow Engineering Pvt Ltd	India	100%	100%
Coretec Engineering India Pvt Ltd	India	100%	100%
Associate			
SAI India Limited	India	40%	40%
Bourton Consulting (India) Pvt Ltd	India	29%	29%
Kolben Hydraulics Limited	India	44%	48%

2. Significant accounting policies

a. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

b. Inventories

Inventories are valued as follows

(i)	Raw material and components	At lower of cost on moving weighted average value and net realizable value
(ii)	Material in transit Work in process *	At lower of cost and net realizable value
(iii)	Work in process *	At lower of cost and net realizable value
(iv)	Finished goods *	At lower of cost and net realizable value
(v)	Tools	At lower of cost and net realizable value

*cost includes cost of material, direct labour and other applicable overheads)

Raw materials and components are valued on First in First out basis in the subsidiary companies.

c. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

e. Fixed assets

(i) Tangible fixed assets

Fixed assets are capitalised at cost inclusive of taxes, incidental expenses on freight, installation etc. and interest on borrowed funds attributable to acquisition of fixed assets for the period upto the date such asset is put to use.

Fixed assets taken on financial lease prior to April 1st ,2001 are not capitalised and lease rentals are absorbed in the Statement of Profit and Loss without reference to useful life of the asset, while assets acquired under Hire Purchase are capitalised.

(ii) Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(iii) Capital work-in-progress

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

f. Depreciation/Amortization**Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual values.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule-II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The useful life of Assets followed by the Company are as follows:

1. Electrical Installation
21 years

2. Office equipment
21 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Technical knowhow fee – 5 years

ERP software – 5 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each of financial year and the amortisation period is revised to reflect the changed pattern, if any.

g. Revenue recognition**Sales of goods**

Sales are recognized on dispatch of goods when significant risks and rewards of ownership are considered to be transferred. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Sales are inclusive of excise duty and are net of sales tax.

Sale of services

Revenue from hydraulic training programmes is recognized on completion of the training program.

Interest income and dividend income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is accounted for when the right to receive it is established.

h. Foreign currency transactions

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transactions. Monetary items denominated in foreign currency and forward exchange contracts outstanding as at the end of the year are re-stated at year end rates. The loss or gain arising on restatement/settlement is adjusted to the Statement of Profit and Loss.

In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Non-monetary foreign currency items are carried at cost.

i. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

j. Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and long service awards.

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Defined contribution plan :

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as expense as they fall due based on the amount of contribution required to be made.

Defined benefit plan :

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

k. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

l. Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases

and recorded as expense as and when the payments are made over the lease term.

m. Earnings per share

In determining the earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

n. Taxes on income

Current tax:

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred tax:

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses on items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levied by the same governing taxation laws.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Consolidated Statement of Profit and Loss.

o. Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The recoverable amount is greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on change in circumstances.

p. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Notes forming part of the Consolidated financial statements

Note 3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	6,000,000	600.00	6,000,000	600.00
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00

Refer notes (i) to (iii) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening	Closing
Equity shares with voting rights		
As at 31 March, 2015		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00
As at 31 March, 2014		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken Kogyo Co Ltd.	1,200,000	40.00	1,200,000	40.00
- Benefic Investments & Finance Co.P.Ltd.	347,952	11.60	347,952	11.60

(iii) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval by the share holders at the ensuing Annual General Meeting.

Notes forming part of the Consolidated financial statements

Note 4 Reserves and surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Capital Reserve		
Arising on account of consolidation of subsidiary	20.73	20.73
Arising on account of investment in associate	20.60	20.60
	41.33	41.33
(b) General Reserve		
Opening balance	592.08	579.08
Add : Additions during the year	4.00	13.00
Closing balance	596.08	592.08
(c) Surplus in Statement of Profit and Loss		
Opening balance	4,799.74	4,780.64
Less: Depreciation on transition to schedule II of Companies Act 2013 on Tangible Fixed Assets with Nil remaining useful life (Net of Deferred Tax)	(16.25)	-
Add : Profit for the year	16.95	84.40
Add : Adjustment on account of consolidation for the year	-	-
Less : Dividends proposed to be distributed to equity shareholders (CY: Rs.1.00 per share (PY: Rs.1.50/- per share))	45.00	45.00
Less : Tax on dividend	9.15	7.30
Less : Transferred to general reserve	4.00	13.00
Closing balance	4,742.28	4,799.74
Total	5,379.69	5,433.15

Note 5 Long-term borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	134.20	189.23
Total	134.20	189.23

(i) Details of terms of repayment for long-term borrowings and security provided

a. Mizuho Bank Ltd loan - Secured by exclusive first charge on hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50/- lakhs each at an interest of 10.15%.

HDFC Bank Ltd Loan - Paripassu First Charge on the Movable Fixed Assets of Malur plant with Mizuho Bank Ltd, first Charge on the Factory Land and Building at Malur, first Exclusive charge on assets financed by the term Loan at Whitefield plant and repayable in quarterly installments at an interest of 11%

b. Secured by Hypothecation of the Car Purchased 48 Equated Monthly Instalments of Rs..0.12 Lakhs beginning from July 2013 at an interest rate of 13.80 %

Note 6 Other long-term liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Payable on purchase of fixed assets	-	11.18
(b) Trade / Security deposits received	500.17	454.89
(c) Other deposits	-	6.55
Total	500.17	472.62

Notes forming part of the Consolidated financial statements

Note 7 Long - term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
(a) Provision for gratuity (Refer Note 29)	21.83	18.61
(b) Provision for compensated absences (Refer Note 29)	162.64	175.59
(c) Others	4.50	4.50
Total	188.97	198.70

Note 8 Short-term borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
<u>From banks</u>		
Secured (Refer Note (i) below)	760.08	767.66
Unsecured	2,700.00	2,401.71
	3,460.08	3,169.37
(b) Other short term loans		
<u>From banks</u>		
Unsecured	-	-
	-	-
Total	3,460.08	3,169.37

Details of security for the secured short-term borrowings

((i) SBI Cash Credit - Secured by first pari-passu charge on inventory, receivables and the entire other current assets of the Company (both existing and future) and first charge on unencumbered fixed assets.
(ii) HDFC Overdraft - Paripassu First Charge on the Movable Fixed Assets of Malur plant with Mizuho Bank Ltd, First Charge on the Factory land and Building located at Malur.

Note 9 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Trade payables:		
Acceptances	-	-
Other than acceptances	4,070.12	3,738.67
Total	4,070.12	3,738.67

Notes forming part of the Consolidated financial statements

Note 10 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	232.41	285.95
(b) Interest accrued but not due on borrowings	4.79	-
(c) Interest accrued and due on borrowings	-	-
(d) Unpaid dividends	7.19	8.25
(e) Other payables		
(i) Statutory remittances	148.04	145.26
(ii) Payables on purchase of fixed assets	61.34	25.80
(iii) Payable towards superannuation	94.34	87.56
(iv) Payable towards defined benefit obligations (Refer Note No 29)	66.27	45.34
(v) Interest accrued on trade payables	2.49	
(vi) Advance from customers	132.02	99.81
(vii) Security deposits Received (Nature of Deposits)	9.95	9.06
(viii) Others	3.40	2.79
Total	762.24	709.82

Note (i): Current maturities of long-term debt

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer note below)	232.41	285.95
Total	232.41	285.95

Details of security for the current maturities of long-term debt

Mizuho Bank Ltd loan - Secured by exclusive first charge on hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50/- lakhs each at an interest of 10.15%.

HDFC Bank Ltd Loan - Paripassu First Charge on the Movable Fixed Assets of Malur plant with Mizuho Bank Ltd, first Charge on the Factory Land and Building at Malur, first Exclusive charge on assets financed by the term Loan at Whitefield plant and repayable in quarterly installments at an interest of 11%

Note 11 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Provision for Employee Benefits		
(i) Provision for compensated absences	27.03	33.29
(b) Provision - Others	6.84	7.56
(i) Provision for tax (net of advance tax of Rs.119.85 Lakhs(As at 31st March, 2014 - Rs.119.85 lakhs)	0.16	0.16
(ii) Provision for proposed dividend	45.00	45.00
(iii) Provision for tax on Proposed dividends	9.16	7.30
Total	88.19	93.31

Notes forming part of the Consolidated financial statements

Note 12 Consolidated Fixed Assets

Note 12 Consolidated Fixed Assets											Rs in lakhs	
DESCRIPTION	GROSS BLOCK - COST			DEPRECIATION/AMORTISATION					NET BLOCK			
	AS AT 1 April, 2014	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	AS AT 31 March, 2015	AS AT 1 April, 2014	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	DEPRECIATION ADJUSTMENT TO OPENING RESERVE	AS AT 31 March, 2015	AS AT 31 March, 2014		
Tangible Assets (a)												
Freehold Land	267.22	-	1.64	265.58	-	-	-	-	-	267.22		
Buildings	1,783.68	54.81	100.25	1,738.24	325.15	49.71	67.64	-	307.22	1,431.02		
Plant Machinery & Equipment	4,638.00	368.10	98.22	4,907.88	1,771.88	293.63	13.39	2.06	2,054.18	2,866.12		
Electrical Installation	417.11	5.74	-	422.85	85.81	20.56	-	-	106.37	331.30		
Furniture / Fixtures	148.38	6.95	-	155.33	79.01	20.45	(0.00)	3.21	102.67	69.36		
Office Equipments	551.32	62.64	1.37	612.59	304.97	57.11	0.62	1.00	362.46	246.35		
Jigs / Fixtures	466.27	67.16	5.84	527.59	283.29	31.61	0.48	13.12	327.54	182.98		
Motor Vehicles	171.49	4.33	26.03	149.79	106.81	19.17	16.90	3.53	112.61	64.69		
Total (a)	8,443.47 (8,244.53)	569.73 (246.99)	233.35 (48.05)	8,779.85 (8,443.47)	2,956.92 (2,540.10)	492.24 (438.99)	99.03 (22.17)	22.92 -	3,373.05 (2,956.92)	5,406.80 (5,486.55)		
Intangible Assets (b)												
Others:												
Software	240.77	4.63	-	245.40	164.08	22.50	-	-	186.58	76.69		
Technical Fee	53.80	-	-	53.80	41.56	4.09	-	-	45.65	12.24		
Total (b)	294.57 (254.83)	4.63 (39.74)	- -	299.20 (294.57)	205.64 (180.46)	26.59 (25.18)	- -	- -	232.23 (205.64)	66.97 (88.93)		
Total (a) +(b)	8,738.04	574.36	233.35	9,079.05	3,162.56	518.83	99.03	22.92	3,605.28	5,473.77		
Capital Work in Progress												
Total									10.22	14.33		
									5,483.99	5,589.81		

Note 12 (c) Depreciation and amortisation expense relating to continuing operations:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Rs. In lakhs	Rs. In lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 (a)	492.24	(438.99)
Amortisation for the year on intangible assets as per Note 12 (b)	26.59	(25.18)
Depreciation and amortisation relating to continuing operations	518.83	(464.17)

Note: Figures in brackets relates to previous year.

Note 13 Non-current investments

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Investments - :		
A.Trade		
a) Investment in equity shares of Associates		
360,000 (As at 31.03.2014 : 360,000) Fully paid equity shares of Rs 10/- each of Sai India Ltd	336.79	368.86
437,100 (As at 31.03.2014 : 437,100) Fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd (Includes goodwill of Rs.19,41,697/-)	12.77	18.70
	349.56	387.56
b) Investment in equity shares of others		
941,330 (As at 31.03.2014 : 941,330) Fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Pvt Ltd	94.13	94.13
	94.13	94.13
Total - Trade (A)	443.69	481.69
B.Other investments		
a) Investment in equity shares of Associates		
37,300 (As at 31.03.2014 : 37,000) Fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd.	5.08	4.34
	5.08	4.34
b) Investment in equity shares of others		
2,000 (As at 31.03.2014 : 2,000) Fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd.	0.50	0.50
	0.50	0.50
Total - Other investments (B)	5.58	4.84
Total (A+B)	449.27	486.53
Aggregate amount of unquoted investments	449.27	486.53

Note 14 Long-term loans and advances**Unsecured, considered good**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Capital advances	131.54	19.70
(b) Security deposits	134.60	123.83
(c) Loans and advances to employees	4.99	8.69
(d) Prepaid expenses	1.10	0.95
(e) Other loans and advances	1.41	1.41
Total	273.64	154.58

Note 15 Other non-current assets**Unsecured, considered good**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Others		
Balance held in margin money account (Refer note (i) below)	4.42	2.89
Total	4.42	2.89

(i) Balance with banks in margin money accounts are under lien.

Notes forming part of the Consolidated financial statements

Note 16 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,623.17	1,393.91
(b) Goods-in-transit - rawmaterial	17.78	23.76
(c) Work-in-progress	643.47	813.27
(d) Finished goods (other than those acquired for trading)	559.75	369.84
(e) Stock-in-trade	5.18	18.81
(f) Loose tools	79.29	91.06
Total	2,928.64	2,710.65

Note 17 Trade receivables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	459.09	470.72
Doubtful	131.93	108.36
	591.02	579.08
Less: Provision for doubtful trade receivables	131.93	108.36
	459.09	470.72
Other trade receivables		
Unsecured, considered good	4,917.86	4,616.54
	4,917.86	4,616.54
Total	5,376.95	5,087.26

Note 18 Cash and bank balances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Cash and cash equivalents		
(a) Cash on hand	4.86	5.39
(b) Balances with banks		
In current accounts	14.47	12.69
In EEFC accounts	6.00	1.59
In earmarked accounts	-	-
- In deposit accounts	28.99	44.71
	54.32	64.38
Other bank balances		
- Unpaid dividend accounts	7.19	8.25
- In deposit accounts	10.60	62.76
	17.79	71.01
Total	72.11	135.39

Notes forming part of the Consolidated financial statements

Note 19 Short-term loans and advances

Unsecured considered good unless otherwise stated

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
(a) Advance to related parties	13.91	-
(b) Security deposits	12.67	13.94
(c) Loans and advances to employees	12.60	14.04
(d) Prepaid expenses	37.74	38.77
(e) Balance with government authorities	-	-
CENVAT credit receivable	79.26	89.72
VAT credit receivable	37.09	27.46
Service tax credit receivable	3.23	32.14
	-	-
(e) Advance income tax (net of provision for income tax of Rs. 2731.97 lakhs (As at 31st March 2014 Rs. 3,051.95/-)	113.00	47.71
(f) MAT credit entitlement	92.10	86.00
(g) Advance to suppliers	191.07	188.70
(h) Others	16.30	14.69
Total	608.97	553.17

Note 20 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	4.29	2.93
Other receivables	51.81	-
Duty drawback receivable	8.87	9.30
Rent receivable	8.44	7.94
CWIP Held for sale	15.58	-
Total	88.98	20.17

Note 21 Revenue from operations

Sl. No.	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Sale of products	20,475.65	18,419.17
(b)	Less : Excise duty	1,987.98	1,895.37
		18,487.67	16,523.80
(c)	Other operating revenues (Refer Note (i) below)	141.10	112.14
	Total	18,628.77	16,635.94

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Rs. In Lakhs	Rs. In Lakhs
(i)	Other operating revenue comprises :		
	Training and other services rendered	113.81	92.95
	Duty drawback	13.18	12.20
	Export Incentive received	1.58	-
	Income from generation of power	12.53	6.99
	Total	141.10	112.14

Notes forming part of the Consolidated financial statements

Note 22 Other income

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income (Refer Note (i) below)	46.49	40.62
(b)	Dividend from long term Investment - others	0.06	-
(c)	Other non-operating income (Refer Note (ii) below)	170.05	35.63
	Total	216.60	76.25

Note	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(i)	Interest income comprises:		
	a) on deposits with banks	8.08	5.18
	b) on overdue trade receivables	32.59	35.19
	c) on others	5.82	0.25
	Total	46.49	40.62
(ii)	Other non-operating income comprises:		
	a) Liabilities/ provisions no longer required written back	36.13	0.12
	b) Dividend Income	-	-
	others	-	0.06
	c) Profit on sale of fixed assets (net)	101.83	1.94
	d) Insurance claim received	-	0.40
	e) Miscellaneous income	32.15	33.11
	Total	170.11	35.63
	Total	216.60	76.25

Note 23.a Cost of materials consumed

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Opening stock	1,419.49	1,241.11
(b)	Add : Purchases	9,222.99	8,373.75
		10,642.48	9,614.86
(c)	Less : Closing stock	1,662.87	1,529.36
	Total	8,979.61	8,085.50

Note 23.b Purchases of stock-in-trade

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
	Cartridges	13.00	17.92
	Other Items	2.91	4.74
	Total	15.91	22.66

Notes forming part of the Consolidated financial statements

Note 23.c Changes in inventories of finished goods and work-in-progress

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
	<u>Inventories at the end of the year:</u>		
(a)	Finished goods	483.07	330.80
(b)	Work-in-progress	648.11	818.47
(c)	Stock-in-trade	5.18	18.81
		1,136.36	1,168.08
	<u>Inventories at the beginning of the year:</u>		
(a)	Finished goods	330.80	270.16
(b)	Work-in-progress	818.47	542.53
(c)	Stock-in-trade	18.81	28.26
		1,168.08	840.95
	Net (increase) / decrease	31.72	(327.13)

Note 24 Employee benefits expense

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Salaries and wages	2,907.56	2,589.10
(b)	Contributions to provident and other funds	289.88	229.55
(c)	Staff welfare expenses	196.13	191.08
	Total	3,393.57	3,009.73

Note 25 Finance costs

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest on borrowings	440.73	396.66
(b)	Interest on dealers deposits and others	16.49	20.30
(c)	Other borrowing cost	0.68	0.73
(d)	Net loss on foreign currency transactions and translation considered as finance costs	-	-
	Total	457.90	417.69

Notes forming part of the Consolidated financial statements

Notes forming part of the Consolidated financial statements

Note 26 Other expenses

Sl. No.	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Consumption of stores and spare parts	433.64	414.76
(b)	Tools consumed	124.82	128.70
(c)	Consumption of packing materials	240.96	204.81
(d)	Increase / (decrease) of excise duty on inventory	27.68	(1.12)
(e)	Subcontracting	1,366.73	1,372.97
(f)	Power and fuel	717.40	574.66
(g)	Rent including lease rentals (Refer Note 32)	152.53	119.59
(h)	Repairs and maintenance - Buildings	48.98	76.37
(i)	Repairs and maintenance - Machinery	290.51	264.37
(j)	Repairs and maintenance - Others	24.99	22.86
(k)	Vehicle maintenance	98.21	86.10
(l)	Insurance	15.67	12.46
(m)	Rates and taxes	67.81	86.13
(n)	Travelling and conveyance	420.37	390.87
(o)	Freight and forwarding	316.73	324.01
(p)	Donations and contributions	0.60	0.25
(q)	Legal and professional charges	303.70	283.78
(r)	Payments to auditors (Refer Note (i) below)	20.15	17.92
(s)	Bad trade and other receivables written off	37.89	23.59
(t)	Net loss on foreign currency transactions and translation (other than considered as finance costs)	41.03	4.64
(u)	Loss on fixed assets sold	-	0.82
(v)	Provision for doubtful trade receivables (net) (Note: For Year Ended 31st March 2014 - Rs.5.87 Lakhs released for bad debts.)	23.57	21.61
(w)	Miscellaneous expenses	628.61	554.46
	Total	5,402.58	4,984.61

Note	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(i)	Payments to the auditors comprises (net of service tax input credit,where applicable):		
	(a) Holding Company		
	a) For statutory audit	7.75	7.75
	b) For Taxation Matters	2.00	1.50
	c) For Company Law Matters	0.75	1.50
	d) For other services	3.50	3.50
	e) Reimbursement of expenses	3.24	0.87
		17.24	15.12
	(b) Subsidiary Companies		
	a) For statutory audit	1.75	1.75
	b) For Taxation Matters	0.81	0.81
	c) For other services	0.04	0.04
	d) Reimbursement of expenses	0.31	0.20
		2.91	2.80
	Total	20.15	17.92

Note 27 Exceptional items

Note	Particulars	For the year ended 31 March,2015	For the year ended 31 March,2014
		Rs. In Lakhs	Rs. In Lakhs
(a)	Profit on sale of Investments	-	200.59
	Total	-	200.59

Notes forming part of the Consolidated financial statements

Note 28 Additional information to the financial statements

Rs. in lakhs

	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Rs In lakhs	Rs In lakhs
28.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Bills discounted outstanding as at the year	-	45.46
	(b) Claims against the Company not acknowledged as debts-Sales tax	-	103.46
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	41.41	9.74

28.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Rs In lakhs	Rs In lakhs
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.68	24.10
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.44	6.77
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	7	-
	(iv) The amount of interest due and payable for the year	1.05	2.10
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.49	8.87
	Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

28.3	Disclosure as per Clause 32 of the Listing agreements with the Stock Exchanges		
	During the year the Company has not given any Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties. (PY:Nil)		
28.4	(i) Outstanding forward exchange contracts entered into by the Company as at 31 March, 2015		
	Currency	Amount	Buy / Sell
	USD	Nil (Nil)	Nil (Nil)
	Note: Figures in brackets relate to the previous year		

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		As at 31 March, 2015		As at 31 March, 2014	
	Rs. In lakhs	Foreign currency (In Lakhs)		Rs. In lakhs	Foreign currency (In Lakhs)
Trade receivables					
	129.32	USD 2.06		113.63	USD 2.08
	32.51	EUR 0.48		175.44	EUR 2.11
	8.81	JPY 16.90		7.05	JPY 11.91
	0.04	GBP 36.00		-	GBP -
Other current assets					
	-	USD -		3.64	USD 0.06
Trade payables					
	1,252.01	USD 20.03		911.78	USD 15.13
	69.97	EUR 1.04		41.94	EUR 0.50
	2.60	JPY 5.00		1.47	JPY 2.50
Other current liabilities					
	-	USD -		4.50	USD 0.08
EEFC balances					
	0.95	EUR 0.01		1.47	EUR 0.02
	5.05	USD 0.08		0.12	USD -

Notes forming part of the Consolidated financial statements

Note 29 Disclosures under Accounting Standards

29.1	Employee benefit plans		
	Defined contribution plan		
	The Company makes provident fund and superannuation fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.136.38 lakhs (Year ended 31 March, 2014 Rs.124.57 lakhs) for provident fund contributions and Rs.95.76 lakhs (Year ended 31 March, 2014 Rs.88.34 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
29.2	Defined benefit plans		
	The Company offers the following employee benefit schemes to its employees:		
	(i) Gratuity		
	(ii) long-term compensated absences		
	The following table sets out the funded status of gratuity and the amount recognised in the financial statements:		
		Rs in lakhs	
	Particulars	31st March,2015	31st March,2014
	Components of employer expense		
	Current service cost	22.95	19.56
	Interest cost	21.90	17.47
	Expected return on plan assets	(14.96)	(13.90)
	Actuarial losses/(gains)	35.49	1.44
	Total expense recognised in the Statement of Profit and Loss	65.38	24.57
	Actual contribution and benefit payments for year		
	Actual benefit payments	37.92	7.25
	Actual contributions	-	-
	Net asset / (liability) recognised in the Balance Sheet		
	Present value of defined benefit obligations	(288.79)	(246.70)
	Fair value of plan assets	207.68	188.46
	Funded status [Surplus / (Deficit)]	(81.11)	(58.24)
	Unrecognised past service costs	-	-
	Net asset / (liability) recognised in the Balance Sheet	(81.11)	(58.24)
	Change in defined benefit obligations (DBO) during the year		
	Present value of DBO at the beginning of the year	246.70	214.12
	Current service cost	22.95	19.56
	Interest cost	21.90	17.47
	Actuarial (gains) / losses	35.16	2.80
	Benefits paid	(37.92)	(7.25)
	Present value of DBO at the end of the year	288.79	246.70
	Change in fair value of assets during the year		
	Plan assets at the beginning of the year	188.46	180.45
	Expected return on plan assets	14.96	13.90
	Actual company contributions	42.51	-
	Actuarial gains / (loses)	(0.33)	1.36
	Benefits paid	(37.92)	(7.25)
	Plan assets at the end of the year	207.68	188.46
	Actual return on plan assets	14.63	15.26
	Composition of the plan assets is as follows:		
	Others- Insurer managed funds	100%	100%
	Actuarial assumptions		
	Discount rate	7.9%-8%	8%-9%
	Expected return on plan assets	8.00%	8.00%
	Salary escalation	5%-7%	5%-7%
	Attrition	2.00%	2.00%
	The Company is estimated to contribute Rs.66.27 lakhs towards gratuity funds during the next year.		

Notes forming part of the Consolidated financial statements

Experience adjustments

Gratuity	31 March,2015	31 March,2014	31 March,2013	31 March,2012	31 March,2011
Present value of defined benefit obligations	(288.79)	(246.70)	(202.35)	(184.88)	(176.37)
Fair value of plan assets	207.68	188.46	180.45	176.82	160.28
Funded status [Surplus / (Deficit)]	(81.11)	(58.24)	(21.90)	(8.06)	(16.09)
Experience gain / (loss) adjustments on plan liabilities	10.65	21.55	5.74	1.04	1.30
Experience gain / (loss) adjustments on plan assets	(0.33)	1.36	4.88	(8.55)	(2.12)

The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

Compensated absences

	Year ended 31 March, 2015	Year ended 31 March, 2014
Charge in the Statement of Profit and Loss	24.45	60.79
Liability as at the year end	188.13	208.89
Actuarial assumptions		
Discount rate	7.90%	9.00%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The above disclosure does not include one of the subsidiaries, Coretec Engineering India Private Limited since the subsidiary has opted for the exemption provided under the mandatory accounting standard A5-15 (Employee Benefits) in view of the average number of persons employed during the year being less than the prescribed limit of 50. Accordingly, the liability towards accumulated leave eligible for encashment has been provided for at the amounts payable as per the subsidiary's internal policy. As regards gratuity, the liability is recognized based on the provisions of the payment of gratuity Act and is provided for at the amounts determined as actually payable as at the end of the year.

Note 30 Disclosures under Accounting Standards (contd.)

Note 30 Disclosures under Accounting Standards (Contd.)

Note	Particulars					
30.1	Segment information The Company has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the company's revenues for the reporting period. Hence geographical segment is not reported. Business segments are primarily Hydraulic Business segment and Other Business segment. Hydraulic Business segment consists of hydraulic pumps, valves and hydraulic systems. Other business segment consists of Cast iron castings. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.					
30.2	Particulars	Hydraulic business	Other business	Eliminations	Unallocated	Total
	Revenue from operations	16,404.15	2,874.52	791.00	0.00	18,487.67
	Operating Income	103.78	24.00	0.00	13.32	141.10
		16,507.93	2,898.52	791.00	13.32	18,628.77
	Segment result before interest, other income and taxes	2,275.00	(673)	0.00	1,352.66	249.35
	Add: Other income	60.00	4.00	0.00	152.60	216.60
	Less: Finance costs				457.90	457.90
	Profit before taxes					8.04
	Taxes					(8.90)
	Profit after taxes					16.94

30.3 Other information

Particulars	Hydraulic business	Other business	Unallocated	Total
Segment assets			15,117.48	15,117.48
Segment liabilities			9,203.81	9,203.81
Capital expenditure			570.26	570.26
Depreciation			518.82	518.82

Notes:

a. There is no segmentwise bifurcation of Assets & Liabilities for Hydraulic Business and Other Business.

b. The segment information is being presented in the manner above, for the first year by the Company, accordingly comparable information relating to the corresponding previous year were not available and hence not presented.

Notes forming part of the Consolidated financial statements

Note 31 Disclosures under Accounting Standards

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Associates	1.Sai India Ltd. 2.Bourton Consulting (India) Pvt Ltd. 3.Kolben Hydraulics Ltd.
Entity having significant influence	Yuken Kogyo Co Ltd
Key Management Personnel (KMP)	1. C P Rangachar - Managing Director 2. K. Chamrajendra 3. S K Naik
Relatives of KMP	1. Vidya Rangachar- wife of Managing Director 2. Madhuri Rangachar-daughter of Managing Director

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015

Rs in lakhs

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Entity having significant influence	Total
Purchase of fixed assets					
Sai India Ltd.	(0.72)	-	-	-	(0.72)
	-	-	-	-	-
Purchase of goods and services					
Yuken Kogyo Co Ltd.	-	-	-	1,803.91	1,803.91
	-	-	-	(1,128.93)	(1,128.93)
Sai India Ltd.	20.20	-	-	-	20.20
	(14.52)	-	-	-	(14.52)
Kolben Hydraulics Ltd.	51.48	-	-	-	51.48
	(43.93)	-	-	-	(43.93)
Bourton Consulting (India) Pvt Ltd.	3.03	-	-	-	3.03
	-	-	-	-	-
Sale of Fixed Assets					
Sai India Ltd.	-	-	-	-	-
	(11.98)	-	-	-	(11.98)
Sale of goods and services					
Yuken Kogyo Co Ltd.	-	-	-	21.63	21.63
	-	-	-	(21.95)	(21.95)
Kolben Hydraulics Ltd.	1.09	-	-	-	1.09
	(4.94)	-	-	-	(4.94)
Sai India Ltd.	28.92	-	-	-	28.92
	(25.33)	-	-	-	(25.33)
Dividend paid					
Yuken Kogyo Co Ltd.	-	-	-	18.00	18.00
	-	-	-	(18.00)	(18.00)
Mr.C P Rangachar	-	0.32	-	-	0.32
	-	(0.32)	-	-	(0.32)
Ms.Vidya Rangachar	-	-	0.06	-	0.06
	-	-	(0.06)	-	(0.06)
Ms.Madhuri Rangachar	-	-	0.03	-	0.03
	-	-	(0.03)	-	(0.03)
Directors remuneration					
Mr. C P Rangachar	-	40.12	-	-	40.12
	-	(40.86)	-	-	(40.86)
Mr. S K Naik	-	1.00	-	-	1.00
	-	-	-	-	-
Payment towards expenses					
Mrs. Vidya Rangachar	-	-	1.80	-	1.80
	-	-	(1.80)	-	(1.80)
Amount outstanding (Advance towards purchase of goods and services)					
Bourton Consulting (India) Pvt Ltd.	3.93	-	-	-	3.93
	(3.93)	-	-	-	(3.93)
Amount outstanding (Receivable)					
Yuken Kogyo Co Ltd.	-	-	-	11.78	11.78
	-	-	-	(7.02)	(7.02)
Sai India Ltd.	28.69	-	-	-	28.69
	(25.67)	-	-	-	(25.67)
Kolben Hydraulics Ltd.	16.18	-	-	-	16.18
	(27.14)	-	-	-	(27.14)
Amount outstanding (Payable)					
Yuken Kogyo Co Ltd.	-	-	-	1,096.05	1,096.05
	-	-	-	(623.74)	(623.74)
Sai India Ltd.	20.20	-	-	-	20.20
	(19.85)	-	-	-	(19.85)
Kolben Hydraulics Ltd.	4.62	-	-	-	4.62
	(8.88)	-	-	-	(8.88)
Directors remuneration (Payable)					
Mr C P Rangachar	-	4.52	-	-	4.52
	-	(4.28)	-	-	(4.28)

Note:

- a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.
- b) The above transactions are compiled from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.
- c) No amounts in respect of the related parties have been written off / written back or provided for during the year.
- d) Figures in brackets relates to the previous year.

Notes forming part of the Consolidated financial statements

32	Leases The group has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the Statement of Profit and Loss for the year against these agreements is Rs. 152.53 Lakhs (Year ended 31 March, 2014, Rs.119.59 Lakhs) which has been grouped under 'Rent' under note 26. There are no contingent rents payable.				
33	Earnings per share <u>Basic and diluted</u> Net profit for the year from operations attributable to the equity shareholders- Rs.in lakhs Weighted average number of equity shares- Rs.in lakhs Par value per share-in Rs. Earnings per share from Operations - Basic and diluted in Rs.	16.94 30.00 10.00 0.57	84.40 30.00 10.00 2.81		
34	Depreciation During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs.16.24 lakhs (net of deferred tax of Rs. 6.68 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 39.73 lakhs consequent to the change in the useful life of the assets.				
35	(a) Provision for taxes on income Provision for income tax has been made on the basis of Minimum Alternative Tax provision under section 115 JB of the Income Tax Act, 1961. Further ,the Company has recognised MAT credit of Rs. 6.1 lakhs in accordance with section 115 JAA of the said Act in the Statement of Profit and Loss. (b)Deferred tax (liability) / asset				
	Rs in lakhs				
	Particulars	As at 31 March, 2015	As at 31 March, 2014		
	<u>Tax effect of items constituting deferred tax liability</u>				
	On difference between book balance and tax balance of fixed assets	603.19	593.55		
	Adjustment on account of depreciation adjustment in Reserves and surplus	(6.68)	-		
	Tax effect of items constituting deferred tax liability	596.51	593.55		
	<u>Tax effect of items constituting deferred tax assets</u>				
	Provision for compensated absences, gratuity and other employee benefits	81.28	84.79		
	Provision for doubtful trade receivables	35.54	35.16		
	Unabsorbed depreciation	40.77	2.41		
	Tax effect of items constituting deferred tax assets	(157.59)	(122.36)		
	Net deferred tax liability / (asset)	438.92	471.19		
36	Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013				
	Name of the entity	Net assets, i.e., total assets minus		Share of profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Yuken India Limited	93%	14,296.14	8203%	1,389.59
	Subsidiaries				
	1 Yuflow Engineering Pvt Ltd.	5%	717.32	-4518%	(765.27)
	2 Coretec Engineering India Pvt Ltd.	2%	309.12	-3366%	(570.18)
	Associates (Investment as per the equity method)				
	1 Sai India Ltd.	NA	NA	-189%	(32.00)
	2 Bourton Consulting (India) Pvt Ltd.	NA	NA	4%	0.74
	3 Kolben Hydraulics Ltd.	NA	NA	-35%	(5.94)
	Total	100%	15,322.58	100%	16.94
37	Details of equity accounted in associates are as follows:				
	Name of the Company	Original Cost of Investment	Goodwill/(Capital Reserve)	Accumulated Profit/(Loss) as at 31.03.2015	Carrying amount of Investment at 31.03.2015
	Sai India Ltd	20.00	(20.60)	316.79	336.79
	(Previous Year)	20.00	(20.60)	348.86	368.86
	Kolben Hydraulics Ltd	43.71	19.42	(11.53)	12.77
	(Previous Year)	43.71	19.42	(5.59)	18.70
	Bourton Consulting (India) Pvt Ltd	3.73	-	1.35	5.08
	(Previous Year)	3.73	-	0.61	4.34
	Total	67.44	(1.18)	306.61	354.64
	Previous Year	67.44	(1.18)	343.88	391.90
38	Figures relating to subsidiary companies have been reclassified where ever necessary to bring in line with the holding Company's financial statements.Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.				

Signatures to Notes 1 to 38

For and on behalf of the Board of Directors

C.P.Rangachar
Managing Director
H M Narasinga Rao
Chief Financial Officer
Place: Bangalore
Date: 9th May 2015

R.Srinivasan
Director
Sridevi Chintada
Company Secretary

Dr. Premchander
Director

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L29150KA1976PLC003017

Name of the company : Yuken India Limited

Registered office : P.B. No. 16, Whitefield Road, Whitefield, Bangalore – 560066.

Name of the Member	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:....., or failing him
2. Name:
Address:
E-mail Id:
Signature:....., or failing him
3. Name:
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on the 15th day of September, 2015 at 10.00 a.m. at Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore-560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statements for the year ended 31st March, 2015
2	Declaration of dividend on equity shares
3	Appointment of a Director in place of Mr. Osamu Tanaka, who retires by rotation and being eligible, offers himself for re-appointment
4	Ratification of appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company Special Business
5	Appointment of Mrs. Vidya Rangachar as a Director
6	Re-appointment of Mr. C P Rangachar as the Managing Director

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of
Re.1

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

YUKENINDIA LIMITED

CIN: L29150KA1976PLC003017

Registered Office: P.B. No. 16, Whitefield Road, Whitefield, Bangalore - 560 066.

[E mail Id: hmn_rao@yukenindia.com]

[Website:www.yukenindia.com] [Tel No: 080 – 2845 2069] [Fax No: 080 – 2845 2069]

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 39th Annual General Meeting of the company held on 15th September 2015 at 10:00 A.M. at Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore-560025.

Serial No:

Name and Address of Member :

Name (s) of the Joint Shareholders (s) If any:

Registered Folio No. / CL ID / DP ID No. :

Number of shares held :

Name of the Proxy / Representative :

Signature of the Member / Proxy /

Authorized Representative

NAME OF THE HOLDER	FOLIO/DPID/CLIENT ID NO.	NO. OF SHARES

FOR ATTENTION OF MEMBERS

Members may please note the electronic voting particulars as set out below for the purpose of e-voting in terms of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the Annual General Meeting notice.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN


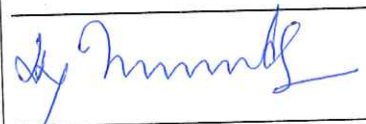
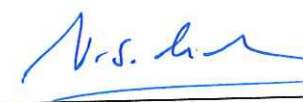
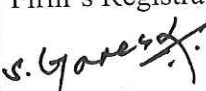

Note: Please follow the e-voting instructions mentioned in the Notice.

Yuken India Limited

Audit for the year ended March 31, 2015

FORM A
(Consolidated financial statements)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	Yuken India Limited
2	Annual separate financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	<div>Signed by-</div> <div>Mr. C P Rangachar Managing Director</div> <div>Mr. Narasinga Rao Chief Financial Officer</div> <div>Catn. N S Mohanram Audit Committee Chairman</div> <div>Place: Bangalore Date : 9th May 2015</div>	<div></div> <div></div> <div></div>
<div>Refer our Audit report dated May 9, 2015 on the Consolidated financial statements of the Company</div> <div>For Deloitte Haskins & Sells Chartered Accountants Firm's Registration No. 008072S</div> <div> S. Ganesh Partner Membership No. 204108</div> <div></div> <div>Place: Bangalore Date : May 9, 2015</div>		