YUKEN INDIA LIMITED
An ISO 9001:2008 Company
Manufacturers of Oil Hydraulic Equipment
IN COLLABORATION WITH YUKEN KOGYO CO. LTD., JAPAN.

Your Ref No:		Regd. Office:	No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura,
Our Ref No:	YIL/Sec/2016		Bangalore - 560 048.
Date:	22nd September, 2016	Phone & Fax :	080 – 2845 3810
		E-mail:	hmn_rao@yukenindia.com
CIN: L29150KA1976PLC003017		Web:	www.yukenindia.com

The General Manager,
Listing Compliance & Legal Regulatory,
BSE Limited, PJ Towers, Dalal Street,
Mumbai-400001.

Dear Sir,

Sub: Submission of Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Yuken India Ltd., for the year 2015-16.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For YUKEN INDIA LIMITED

Company Secretary

(Sridevi Ch)

Copy to:
Ahmedabad Stock Exchange Limited

YUKEN

YUKEN

YUKEN INDIA LIMITED

40th ANNUAL REPORT
2015-16

YUKEN INDIA LIMITED
P.B. No. 16, WHITE FIELD ROAD
WHITE FIELD, BANGALORE - 560 066

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 (From 01st July, 2016)	No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore – 560048.
HYDRAULIC DIVISION	PB No. 16, Whitefield Road, Whitefield, Bangalore - 560 066. Survey No. 11, 12, 17 & 18, Koppathimmanahalli Village, H. Hoskote Gram Panchayat, Lakkur Hobli, Malur Taluk, Kolar District, Karnataka – 563 130. No. 6/13, Industrial Area, Kirti Nagar, New Delhi – 110 015.
FOUNDRY DIVISION	No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore – 560048. Sy No. 52, Khatha No. 84/171, 85/172, Hedegabanahalli Village, Madivala Post, Malur Taluk, Kolar Dist – 569 130.
GEAR PUMPS DIVISION	Plot No. 57, IDA IV Phase, Patancheru, Medak Dist, Hyderabad – 502 319.
SALES OFFICES	26 A, Community Centre, Mayapuri, New Delhi – 110 064. Indra Prastha, #46A, Madan Mohan Malaviya Sarani, Ground Floor, Kolkata – 700 020. H-4, Ansa Industrial Premises, Sakivihar Road, Sakinaka, Andheri(E), Mumbai – 400 072. B-80, 2nd Cross, 1st Phase, Peenya Industrial Area, Bangalore – 560 058.

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NOTICE

NOTICE is hereby given that the Fortieth 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 Wednesday, the 21st September, 2016 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, 2016, 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. Shiro Hattori (DIN: 06939850) 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, 2017."

REGISTERED OFFICE:
P B No. 16,
Whitefield Road,
Whitefield,
Bangalore - 560 066.

By order of the Board

C P Rangachar
Managing Director

Place: Bangalore
Date: 28th May, 2016

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 Saturday, the 17th September, 2016 to Wednesday, the 21st September, 2016 (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. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

6. 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.

7. 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.

8. 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.

9. 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.

10. **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.**

11. **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 40th Annual General Meeting by electronic means through e-voting services provided by Karvy Computershare Pvt. Ltd. Members whose names appear in the Register of Members as on 16th September, 2016 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 [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 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 16th September, 2016 under FOR/AGAINST or alternately you may enter partially any number FOR and partially AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

(ix) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote click on "CANCEL" and accordingly modify your vote.

(x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xi) Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send the scanned copy (PDF format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@yukenindia.com or evoting@yukenindia.com with a copy to evoting@karvy.com.

2. In case a member receives physical copy of the notice 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 18th September, 2016 at 9.00 am and will end at 5.00 pm on 20th September, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2016, may cast their vote electronically. The e-voting module will be disabled on 20th September, 2016 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 16 September 2016.

(v) Mr. Abhishek Bharadwaj A B, Practising 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 40th 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.

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

Particulars	Mr. Shiro Hattori
Date of Birth	20/09/1947
Date of Appointment	09/09/2014
Qualification	Graduate in Mechanical Engineering.
Expertise	Joined Yuken Kogyo Co. Ltd., Japan in 1966. Worked in Manufacturing Department till 1980. Worked in R & D for five years. Worked in Quality Assurance Department, Production Department in various capacities for more than 10 years and in 2013, appointed as Managing Director.
Directorships held in other public companies	Nil
Membership/Chairmanship of committees of other public companies	Nil
No. of shares held in the Company	Nil

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 40th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

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. 19,869 lakhs compared to Rs. 18,610 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	2015-16	2014-15
Total Income	**19,869**	**18,610**
Total expenditure	18,874	17,677
Profit before interest, depreciation and tax	995	933
Finance cost	503	418
Depreciation	461	458
Profit before Exceptional items and tax	31	57
Exceptional items	-	-
Profit after Exceptional items & before tax	31	57
Provision for taxation (Net of deferred tax)	28	(16)
Profit after tax	03	73
Balance in Statement of profit and loss	4,623	4,623
Amount available for appropriation	**4,626**	**4,696**
Appropriations:		
Depreciation on transition to Schedule II of the Companies Act, 2013	-	15
General reserve	-	4
Proposed dividend	30	45
Tax on proposed dividend	6	9
Balance carried to Balance Sheet	4,590	4,623
Total	**4,626**	**4,696**

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

The extract of Annual Return for the financial year 2015-16 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, 2015-16 viz., on 09th May 2015, 24th July 2015, 15th September 2015, 04th November 2015 and 05th February 2016.

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 as 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; and

(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 relevant matters as provided under section 178(3) of the Companies Act, 2013 may be accessed on the Company's website, web link of which is as under:

http://www.yukenindia.com/wp-content/uploads/2016/05/Nomination-Remuneration-Policy.pdf

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 to Yuflow Engineering Private Limited (Subsidiary)	HDFC Bank Ltd.	220 lakhs
Corporate Guarantee to Coretec Engineering India Private Limited (Subsidiary)	State Bank of India	120 lakhs

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

No loans have been given during the year.

An investment of Rs. 100 lakhs has been made in Yuflow Engineering Pvt. Ltd., by subscribing to 10 lakh shares of Rs. 10/- each.

9. 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:

(Rs. in lakhs)

Particulars	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					
FY 2015-16	778.17	1011.66	1859.86	227.78	70.89
FY 2014-15	718.23	1121.24	1583.15	221.77	64.76
Total expenditure					
FY 2015-16	697.17	1109.61	1699.53	219.65	60.37
FY 2014-15	631.10	1098.44	1438.85	210.64	54.13
Profit before interest, depreciation and tax					
FY 2015-16	81.00	(97.95)	160.33	8.13	10.52
FY 2014-15	87.13	22.80	144.31	11.12	10.63
Finance cost					
FY 2015-16	11.13	28.93	90.66	1.24	0.09
FY 2014-15	11.69	28.57	96.80	1.28	0.60
Depreciation					
FY 2015-16	22.41	27.36	110.45	6.48	3.25
FY 2014-15	27.92	37.34	126.24	8.17	6.19
Profit before Exceptional items, Prior year items and tax					
FY 2015-16	47.46	(154.24)	(40.78)	0.41	7.16
FY 2014-15	47.52	(43.11)	(78.73)	1.68	3.84
Exceptional items					
FY 2015-16	-	(53.00)	-	-	-
FY 2014-15	-	-	-	-	-
Profit after Exceptional items but before prior year items and tax					
FY 2015-16	47.46	(207.24)	(40.78)	0.41	7.16
FY 2014-15	47.52	(43.11)	(78.73)	1.68	3.84
Prior year items					
FY 2015-16	-	-	-	-	-
FY 2014-15	-	-	-	3.00	-
Profit after Exceptional items and prior year items but before tax					
FY 2015-16	47.46	(207.24)	(40.78)	0.41	7.16
FY 2014-15	47.52	(43.11)	(78.73)	(1.33)	3.84
Provision for taxation (Net of deferred tax)					
FY 2015-16	18.70	-	2.49	0.10	2.23
FY 2014-15	6.97	-	(2.86)	(7.56)	1.33
Profit/ (Loss) after tax					
FY 2015-16	28.76	(207.24)	(38.29)	0.51	4.93
FY 2014-15	40.55	(43.11)	(75.87)	6.23	2.51
Earnings per share (in Rs.)					
FY 2015-16	4.64	(19.85)	(4.25)	0.05	3.91
FY 2014-15	6.54	(4.31)	(8.43)	0.64	1.99

Statement containing salient features of financial statements of subsidiaries and associate companies in Form AOC-1 is enclosed herewith as Annexure-2 to this report.

Note: * Consolidated financials include un-audited financials of Sai India Ltd., one of the Associates.

10. 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-30 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/2016/02/Related-Party-Transactions-Policy.pdf

11. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES

Your Company has not transferred any amount to General Reserves.

12. DIVIDEND

The Board of Directors is pleased to recommend a dividend of 10% on equity shares of the Company for the year ended 31st March, 2016, subject to the approval of the members at the ensuing Annual General Meeting.

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

Since the Company has not declared / distributed any dividend for the financial year 2009-10, there is no unclaimed and unpaid dividend pertaining to that financial year and hence it is not required to remit any amount to the Investors Education and Protection Fund in accordance with section 125 of the Companies Act, 2013, during the year 2016-17.

14. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN 31ST MARCH, 2016 AND 28TH MAY, 2016

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year (31st March, 2016) and the date of the Report (28th May, 2016).

15. 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. LED lights are being used in the Company's premises so that the power consumption comes down. Solar power is being used at foundry division of the Company at Malur.

2. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: (Rs. in lakhs)

Export Sales	574.02
Other Income	22.46

Expenditure in Foreign Currency: (Rs. in lakhs)

Brand fee	75.03
Royalty	5.55
Interest	0.80
Others	42.75

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.

2015-16 was an eventful year for Yuken India Limited's R&D efforts. Apart from contributions to analyzing customer complaints and field failures on various products, the release of a new and revamped product catalog was a significant milestone. The core idea of the Company's investments in R&D is to initiate product upgradations and to develop new products that would give an edge over competitors.

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

i. Design and release of a high speed metal chip compacting machine branded as 'Kiriko' which is based on Yuken Kogyo Co. Ltd.'s original design. It is a leap over the Japanese design and answers the need of the Indian customers.

ii. Several concepts of energy saving hydraulic power units have been designed and are in various stages of testing. These will cater to the machine tool industry, one of the most important industry segments of the Company.

iii. Development of larger valves for process and steel industries, rugged vane pumps for special applications and development of high efficiency gear pumps.

(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

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

There was no change in the nature of business of the Company, during the year 2015-16.

17. JOINT DEVELOPMENT OF COMPANY'S PROPERTY LOCATED AT WHITEFIELD, BANGALORE

During the year, the Company has entered into a Joint Development Agreement with Brigade Enterprises Ltd., Bangalore for developing its property located at Whitefield, Bangalore in order to maximize the returns. The Company is under process of shifting the entire plant from Whitefield to Malur, Kolar District.

18. DIRECTORS

There is no change in the composition of Board of Directors, during the year.

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.

19. KEY MANAGERIAL PERSONNEL

Mr. C P Rangachar, Managing Director, Mr. H M Narasinga Rao, Chief Financial Officer, Mr. Subramanya Ullal, Chief Executive Officer and Ms. Sridevi Ch, Company Secretary are the Key Managerial Personnel in accordance with the provisions of section 203 of the Companies Act, 2013, during the period under report.

20. DEPOSITS

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

21. 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.

22. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company's management is responsible for establishing and maintaining an adequate system of internal controls over financial reporting. The Company has in place adequate systems of internal controls commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The observations arising out of audit are periodically reviewed and compliance ensured. The Internal Audit Reports, observations and status of the implementation is submitted to the Audit Committee of the Board of Directors. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

23. RISK MANAGEMENT POLICY

In compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted by the Board. The Company has in place, 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.

d. Measures taken by the Company to mitigate foreign exchange transaction risks.

24. 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. Rain water harvesting in all the plants of the Company,
2. Presented a camera to traffic police in Whitefield,
3. The Company has appointed a Teacher to teach English and Computers in the Government Elementary School in Hedagenabele village of Kolar District,
4. Supplied uniforms, shoe and bags to school children at Hedagenabele, Kolar District and
5. Donation towards pendal, furniture and food for meditation programme organized by the villages of Hedagenabele.

However, since the CSR provisions are not applicable to the Company for the year 2015-16, it was not required to allocate / spend any funds towards CSR activities under the provisions of section 135 of the Companies Act, 2013.

25. 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, 2013, and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Board has constituted an Audit Committee with the following Directors:

1. Capt. N S Mohanram - Chairman
2. Mr. R Srinivasan - Member
3. Mr. CP Rangachar - Member
4. Dr. Premchander - Member

The above composition of the Audit Committee consists of three 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/2016/02/Whistle-Blower-Policy.pdf

26. DETAILS OF REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements of the Company, during the year 2015-16.

27. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

a. Rules and regulations pertaining to their appointment as Independent Directors,
b. Duties and responsibilities of the Independent Directors towards the Company and its stakeholders,
c. Code of conduct to be followed by them and
d. Company's policies and procedures.

28. 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 2015-16.

Name of the Director / KMP	Remuneration for financial year 2015-16 (in Rs.)	Remuneration for financial year 2014-15 (in Rs.)	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director/ KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	5,543,841	5,284,401	4.91%	9.13:1
Mr. O Tanaka, Chairman & Non-Executive Director	10,000	10,000	Nil	0.02:1
Capt. N S Mohanram, Non-Executive Independent Director	100,000	90,000	Nil	0.16:1
Mr. R Srinivasan, Non-Executive Independent Director	70,000	90,000	Nil	0.12:1
Dr. Premchander, Non-Executive Independent Director	60,000	30,000	Nil	0.09:1
Mr. S Hattori, Nominee Director	10,000	10,000	Nil	0.02:1
Mrs. Vidya Rangachar, Non-Executive Director	50,000	-	*	0.08:1
Mr. H M Narasinga Rao, CFO	4,618,845	4,193,165	10.72%	7.60:1
Mr. Subramanya Ullal, CEO	4,260,268	3,318,267	28.39%	7.01:1
Ms. Sridevi Ch, Company Secretary	530,657	349,285	**	0.87:1

Notes:

The Net Profit after tax has declined in the financial year 2015-16 and the remuneration of the Managing Director has been increased by 4.91%.

* Percentage increase in remuneration not reported as she was holding Directorship for part of the financial year 2014-15 and remuneration is proportionately adjusted.

**Percentage increase in remuneration not reported as she was employed for part of the financial year 2014-15 and remuneration is proportionately adjusted.

b. The median remuneration of employees of the Company during the year and percentage increase/(decrease) in the median remuneration of employees compared to the previous financial year:

Particulars	2015-16 (Rs.)	2014-15 (Rs.)	Increase in %
Median Remuneration of all employees per annum	607,405/-	527,856/-	13.49%

c. The number of permanent employees on the rolls of the Company as on 31st March, 2016 was 390.

d. Relationship between average increase in remuneration and company performance:

The Profit Before Tax for the financial year 2015-16 was Rs. 31 lakhs and the average increase in median employee remuneration was 13.49%. 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 2015-16 has been increased by 15.92% whereas the total revenue from the operations has increased by 7.36% when compared to the previous year. Remunerations of the KMP are as per the industry benchmarks.

f. Details of share price and market capitalization:

(i) The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

S.No.	Particulars	2015-16	2014-15
i.	Variations in the market capitalization of the Company	Rs. 92.10 crores	Rs. 68.22 crores
ii.	Price Earnings Ratio of the Company	2791:1	100.18:1

(ii) 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. 307.00 as on 31st March, 2016 indicating a Compounded Annual Growth Rate of 14.08%. 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: 8.36%
- Percentage increase/decrease in the managerial remuneration: 4.91%

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. The Directors were not paid any commission during the financial year 2015-16.

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 manager 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

29. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, the Company has registered a turnover of Rs. 19,767 lakhs compared to Rs. 18,412 lakhs in the previous year. Operations of the Company for the year under review have resulted in a net profit of Rs. 3.34 lakhs.

As predicted by the Meteorological Department, we expect a good monsoon during the current year. We anticipate that the GDP may grow above 7.50% during 2016-17 and the demand for our products will increase.

30. 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.

31. COST AUDITORS

Pursuant to the provisions of section 134 of the Companies Act, 2013, the Board had appointed M/s. Adarsh Sharma & Co, Cost Accountants, Bangalore, as Cost Auditors for conducting Cost Audit for the financial year 2015-16.

32. 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 of the Company held on 09th September, 2014, whose appointment is subject to ratification in each Annual General Meeting till their last year.

33. SECRETARIAL AUDITORS

The Company has appointed M/s. BG & Associates, Practising Company Secretaries, Bangalore for conducting Secretarial Audit for the financial year 2015-16 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 as Annexure-4.

34. 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.

35. 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.

36. 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.

37. 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.

38. 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	**C P Rangachar**	**Capt. N S Mohanram**	**Dr. Premchander**
Date: 28th May, 2016	**Managing Director**	**Director**	**Director**

Annexure-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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	63.23
2	Hydraulic Power Units	29121	19.69
3	Cast Iron castings	27310	12.74

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address 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	43.69%	2(6)

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

(i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	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	27100	0	27100	0.90	27100	0	27100	0.90	0.00
(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	11.60	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) :	**375052**	**0**	**375052**	**12.50**	**375052**	**0**	**375052**	**12.50**	**0.00**
(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)	**1575052**	**0**	**1575052**	**52.50**	**1575052**	**0**	**1575052**	**52.50**	**0.00**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	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	171724	1068	172792	5.76	184115	1068	185183	6.17	-0.41
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	735273	100243	835516	27.85	667285	97243	764528	25.48	2.37
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	340515	0	340515	11.35	400707	0	400707	13.36	-2.01

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(c)	Others	0	0	0	0	0	0	0	0	0.00
	CLEARING MEMBERS	4324	0	4324	0.14	895	0	895	0.03	0.11
	NON RESIDENT INDIANS	70301	0	70301	2.34	68135	0	68135	2.27	0.07
	TRUSTS	0	0	0	0	4000	0	4000	0.13	-0.13
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	1322137	101311	1423448	47.45	1325137	98311	1423448	47.45	0.00
	Total B=B(1)+B(2) :	1322137	102811	1424948	47.50	1325137	99811	1424948	47.50	0.00
	Total (A+B) :	2897189	102811	3000000	100.00	2900189	99811	3000000	100.00	0.00
(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):	**2897189**	**102811**	**3000000**	**100.00**	**2900189**	**99811**	**3000000**	**100.00**	

(ii). Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share Holding during The year
1.	YUKEN KOGYO CO., LTD	1200000	40.00	-	1200000	40.00	-	-
2.	BENEFIC INVESTMENT AND FINANCE COMPANY PVT LTD	347952	11.60	-	347952	11.60	-	-
3.	C P RANGACHAR	21100	0.70	-	21100	0.70	-	-
4.	VIDYA RANGACHAR	4000	0.13	-	4000	0.13	-	-
5.	MADHURI RANGACHAR	2000	0.07	-	2000	0.07	-	-
	Total	**1,575,052**	**52.50**	**-**	**1,575,052**	**52.50**	**-**	**-**

(iii). Change in Promoters' Shareholding:

Sl. No.		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
	At the beginning of the year	1,575,052	52.50	-	-
	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):	-	-	-	-
	At the end of the year			1,575,052	52.50

(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	-	-	LTD	79,304	35,000	39,950	84,254
Anil Bhavanji Shah	Darshana Anil Shah	-	PUB	70,988	-	-	70,988
Salim Pyarli Govani	-	-	PUB	49,444	-	-	49,444
Shivswaroop Gupta (HUF)	-	-	HUF	39,000	-	3,829	42,829
Shivswaroop Jagmohanlal Gupta	-	-	PUB	38,060	-	3,009	41,069
Madhu Jayakumar Vadera	-	-	PUB	33,536	-	-	33,536
Savitha Raghavan	-	-	NRI	33,154	-	-	33,154
Bhavanji Vershi Shah	Anil Bhavanji Shah	-	PUB	28,805	-	-	28,805
Tejas Vidyadhara Rao Sethi	-	-	PUB	27,000	-	-	27,000
Raghavan Venkataramani	-	-	NRI	24,222	-	-	24,222

(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	21003688	C P Rangachar	Vidya Rangachar		DIR	0	0	21100	01/04/2015
	IN300360	21003688	C P Rangachar	Vidya Rangachar		DIR	0	0	21100	31/03/2016
2	IN300360	21003670	Vidya Rangachar	C P Rangachar		DIR	0	0	4000	01/04/2015
	IN300360	21003670	Vidya Rangachar	C P Rangachar		DIR	0	0	4000	31/03/2016
3		YIL009000	H M Narasinga Rao			KMP	0	0	450	01/04/2015
		YIL009000	H M Narasinga Rao			KMP	0	0	450	31/03/2016

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	839.00	2700.00	-	3539.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4.79	-	4.79
Total (i+ii+iii)	839.00	2704.79	-	3543.79
Change in Indebtedness during the financial year				
Addition	1815.00	750.00	-	2565.00
Deletion	240.00	350.00	-	590.00
Net Change	1575.00	400.00	-	1975.00
Indebtedness at the end of the financial year				
i) Principal Amount	2414.00	3100.00	-	5514.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	13.42	-	13.42
Total (i+ii+iii)	2414.00	3113.42	-	5527.42

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	- -	3,900,000 659,841 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify…	-	-
5.	Others: Contribution to Superannuation fund, PF and Insurance, other funds	-	984,000
	Total (A)		**5,543,841**
	Ceiling as per the Act	In the scale of Rs. 350,000/- to Rs. 700,000/- per month as per the provisions of the Companies Act, 2013 and as approved by the shareholders.	

Note : Figures were re-grouped wherever necessary

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. 30,000	Rs. 50,000	Rs. 50,000	-	-	Rs. 130,000
	• Committee meetings	-	Rs. 40,000	Rs. 50,000	Rs. 10,000	-	-	Rs. 100,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	**-**	**Rs. 70,000**	**Rs. 100,000**	**Rs. 60,000**	**-**	**-**	**Rs. 230,000**
2.	**Other Directors**							
	• Fee for attending board meetings	Rs. 10,000	-	-	-	Rs. 10,000	Rs. 50,000	**Rs. 70,000**
	• Committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	**Rs. 10,000**	**-**	**-**	**-**	**Rs. 10,000**	**Rs. 50,000**	**Rs. 70,000**
	Total (B)=(1+2)	**Rs. 10,000**	**Rs. 70,000**	**Rs. 100,000**	**Rs. 60,000**	**Rs. 10,000**	**Rs. 50,000**	**Rs. 300,000**
	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 (Rs.)
1.	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,791,548	4,295,925	486,269	8,573,742
	(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: Contribution to Superannuation fund, PF and Insurance**	**447,120**	**301,320**	**44,388**	**792,828**
	Total	**4,260,268**	**4,618,845**	**530,657**	**9,409,770**

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	-	-	-	-	-

For and on behalf of the Board of Directors

Place: Bangalore
Date : 28th May, 2016

C P Rangachar	Capt. N S Mohanram	Dr. Premchander
Managing Director	**Director**	**Director**

Annexure-2

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Coretec Engineering India Pvt. Ltd.	Yuflow Engineering Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April, 2015 to 31st March, 2016	01st April, 2015 to 31st March, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
4.	Share capital	6,196,000	20,000,000
5.	Reserves & surplus	13,197,773	(27,288,991)
6.	Total assets	50,750,555	54,329,396
7.	Total Liabilities	50,750,555	54,329,396
8.	Investments	-	-
9.	Turnover	77,816,559	101,166,033
10.	Profit before taxation	4,746,062	(20,723,958)
11.	Provision for taxation	1,870,355	-
12.	Profit after taxation	2,875,707	(20,723,958)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NA

2. Names of subsidiaries which have been liquidated or sold during the year - NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates	Sai India Ltd	Kolben Hydraulics Ltd	Bourton Consulting (India) Pvt. Ltd.
Latest audited Balance Sheet Date	31st March, 2016	31st March, 2016	31st March, 2016
Shares of Associate/Joint Ventures held by the company on the year end	360,000	437,100	37,300
Amount of Investment in Associates/Joint Venture	2,000,000	4,371,000	373,000
Extent of Holding%	40%	43.69%	29.54%
Description of how there is significant influence	1. Holding 40% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.	1. Holding 43.69% stake in the Associate Company	1. Holding 29.54% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.
Reason why the associate/joint venture is not consolidated	NA	NA	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	31,946,191	3,240,366	520,310
Profit/(Loss) for the year	(3,829,345)	51,084	416,694
Considered in Consolidation	(1,531,739)	22,316	123,105
Not Considered in Consolidation	(2,297,606)	28,768	293,589

1. Names of associates or joint ventures which are yet to commence operations. - NA

2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 28th May, 2016

C P Rangachar
Managing Director

Capt. N S Mohanram
Director

Dr. Premchander
Director

Annexure-3

Form 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 or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or 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 or arrangements or 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: 28th May, 2016

C P Rangachar	**Capt. N S Mohanram**	**Dr. Premchander**
Managing Director	**Director**	**Director**

Annexure - 4

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

[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 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, 2016 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, 2016 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)

We 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) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited 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 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. Merger / amalgamation / reconstruction, etc.

d. Foreign technical collaborations

For BG & Associates
Company Secretaries

Binoy Chacko
FCS No.: 4792
CP No.: 4221

Place: Bangalore
Date: 18.05.2016

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 records 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
FCS No.: 4792
CP No.: 4221

Place: Bangalore
Date: 18.05.2016

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, bankers, 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, 2016 are as indicated below:

Director	Whether Promoter/ Collaborator/Executive/ Non-Executive/ Independent/Non-Independent	Attendance		LoA	No. of outside Directorships held	No. of Board Committees of other companies in which a Member	Chairman/Member of Board Committees of other Companies in which is Member
		Board Meetings	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	3	No	Yes	9	4 1	Chairman Member
4. Capt. N S Mohanram	Non-Executive & Independent	5	Yes	-	-	-	-
5. Dr. Premchander	Non-Executive & Independent	5	Yes	-	-	-	-
6. Mr. CP Rangachar	Executive & Non-Independent (Promoter)	5	Yes	-	9	1 1	Chairman Member
7. Mrs. Vidya Rangachar	Non-Executive & Non-Independent	5	Yes	-	1	-	-

* LOA – Leave of Absence

Board Meetings:

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2015-16, our Board met 5 times viz., on 09th May 2015, 24th July 2015, 15th September 2015, 04th November 2015 and 05th February 2016.

The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being regularly placed before the Board.

Board Committees:

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

- Your Company has entered into a Joint Development Agreement with Brigade Enterprises Ltd., on 28th January, 2016 with regard to development of Company's property situated at Whitefield.
- The Company has purchased a land at Malur for the purpose of relocating its Whitefield plant to the new premises.
- Company's plant will be shifted to Malur new premises in a phased manner, during the year 2016-17.

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 their compliance with the Code of Conduct for the financial year ended 31st March, 2016. A Certificate to this effect, duly signed by the Managing Director and Chief Financial Officer is annexed hereto.

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

http://www.yukenindia.com/wp-content/uploads/2016/02/Code-of-Conduct-1.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 2015-16:

a) No. of complaints received – Nil

b) No. of complaints disposed off - NA

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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 statements 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 as the Chairman and Mr. R Srinivasan, Dr. Premchander and Mr. C P Rangachar as the Members. While Capt. N S Mohanram, Mr. R Srinivasan and Dr. Premchander 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 09th May 2015, 24th July 2015, 04th November 2015 and 05th February 2016. Audit Committee of the Company has been reconstituted during the year by inducting Dr. Premchander, an Independent, Non-Executive Director as a member. The composition of Audit Committee as at 31st March, 2016 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	3
3.	Mr. C P Rangachar	4	4
4.	Dr. Premchander*	4	-

The Chairman of the Audit Committee, Capt. N S Mohanram was present at the Annual General Meeting held on 15th September, 2015.

*Note: Dr. Premchander has been inducted as a Member of Audit Committee in the Board Meeting held on 05th February, 2016.

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, one meeting of the Nomination and Remuneration Committee was held on 09th May 2015. Attendance of the members at the Nomination and Remuneration Committee Meeting was as follows:

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

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 action in relation to shareholders related matters.

As at the end of the year, the Stakeholders Relationship Committee was constituted with Dr. Premchander – Non-Executive and Independent Director as Chairman, Mr. HM Narasinga Rao, CFO & Vice President-Finance and Mrs. US Geetha Pushpa, General Manager – Finance as the members to look into the issues pertaining to share transfers and stakeholders' grievances.

During the year, one meeting of the Stakeholders Relationship Committee was held on 17th October, 2015. The proceedings of the Meeting 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	1	1
Mr. HM Narasinga Rao	1	1
Mrs. US Geetha Pushpa	1	1

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

Sl. No.	Nature of Complaints	Received	Addressed	Pending
1.	Non-receipt of dividend warrants	2	2	0
2.	Non-receipt of securities	1	1	0
3.	Non-receipt of Annual reports	6	6	0
4.	Complaints from Stock Exchanges / SEBI	0	0	0
Total		**9**	**9**	**0**

RISK MANAGEMENT COMMITTEE:

Risk Management Committee of the Company was constituted as per the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the following members:

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

The Company has in place, 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.

However, since the CSR provisions are not applicable to the Company for the year 2015-16, the members have not met during the year.

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 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 2015-16, besides the transactions reported in Note 30 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 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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, 2016.

(E) Remuneration of Directors:

Mr. C P Rangachar, Managing Director is in receipt of salary in the scale of Rs. 350,000 – Rs. 700,000 with authority to Board to fix the annual increments.

Details of Remuneration paid to the Managing Director, during the year, 2015-16*.

(Rs. In lakhs)

Name	Salary	Value of Perquisites	Contribution to Provident & Super-annuation Fund	Leave encashment	Total
Mr. CP Rangachar	36.00	6.59	9.84	3.00	55.43

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

No stock options have been 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 paid to the Directors for the year 2015-16.

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						
	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	CSR Committee	Risk Management Committee	Total (Rs.)
Mr. O Tanaka	1	-	-	-	-	-	10,000
Mr. S Hattori	1	-	-	-	-	-	10,000
Mr. R Srinivasan	3	3	1	-	-	-	70,000
Capt. N S Mohanram	5	4	1	-	-	-	100,000
Dr. Premchander	5	-	1	-	-	-	60,000
Mrs. Vidya Rangachar	5	-	-	-	-	-	50,000
Total							**300,000**

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

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

(F) Management Discussion and Analysis:

The management's discussion and analysis report forms part of the Directors' 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 Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2016, which is annexed hereto.

GENERAL BODY MEETINGS:

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

Year	Date	Location	Time
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
2014-15	15th September, 2015	Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore – 560025.	10.00 am

MEANS OF COMMUNICATION:

The quarterly financial results of the Company were submitted to the Stock Exchanges immediately after the Board took the same on record through e-mail and courier. Also, financial results have been submitted to BSE Ltd., by uploading in their portal - http://listing.bseindia.com/.

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

The financial 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 : 21st September, 2016

b) Financial Calendar

i) Financial Year : April to March

ii) First Quarter Results : July

iii) Second Quarter Results : November

iv) Third Quarter Results : February

v) Year end Results : May

c) Date of Book Closure : 17th September, 2016 to 21st September, 2016

d) Proposed Dividend : 10% 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 2015-16:

1. **BSE Limited**

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

2. **Ahmedabad Stock Exchange Limited**
   Kamadhenu Complex,
   Opposite – Sahajanand College,
   Panjarapole,
   Ahmedabad – 380015.
   Scrip Code: 68030

The listing fees for the year 2015-16 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 2015-16 at BSE Ltd. is furnished below:

Sl. No.	Month	High	Low
1	APR	298.80	220.00
2	MAY	280.00	202.00
3	JUN	300.00	226.00
4	JUL	340.00	240.00
5	AUG	299.00	220.20
6	SEP	283.80	250.00
7	OCT	280.00	245.00
8	NOV	412.40	245.10
9	DEC	536.10	430.00
10	JAN	509.00	349.00
11	FEB	430.00	275.00
12	MAR	348.00	292.50

The trading in the Ahmedabad Stock Exchange Ltd. was negligible during the year ended 31st March, 2016.

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 regulations, a Practicing Company Secretary audits the system every half-year and a certificate to that effect is issued and the same is submitted to 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, 2016.

i) **Distribution Schedule – Consolidated as on 31/03/2016:**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
0 – 5000	3862	92.41	391,711	3,917,110	13.06%
5001 – 10000	174	4.16	132,616	1,326,160	4.42%
10001 – 20000	70	1.68	98,403	984,030	3.28%
20001 – 30000	23	0.55	56,923	569,230	1.90%
30001 – 40000	11	0.26	38,764	387,640	1.29%
40001 – 50000	9	0.22	39,647	396,470	1.32%
50001 – 100000	9	0.22	65,636	656,360	2.19%
100001 & Above	21	0.50	2,176,300	21,763,000	72.54%
Total	**4,179**	**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, 2016:**

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	185,183	6.17
Indian Public	1,085,623	36.19
HUF	79,612	2.65
Trusts	4,000	0.13
NRIs/OCBs	68,135	2.27
Clearing Members	895	0.03
Grand Total	**3,000,000**	**100.00**

l) **Directors seeking appointment / re-appointment:**

As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 21st September, 2016.

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

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP.

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 2015-16. Key problem areas in the industry are shortage of power and lack of 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	2012	2013	2014	2015	2016
Sales/Other Income	17,198	15,523	16,512	18,610	19,869
Profit before tax	1,539	331	315	57	31
Profit before tax to Sales %	9.03	2.13	1.91	0.31	0.16
Profit after tax	1,036	201	254	73	03
Profit after tax to Sales %	6.08	1.29	1.54	0.40	0.015
Return on Capital Employed %	21	9	10	16	5
Return on Net worth %	20	4	5	1.23	0.06
Book value per share (Rs.)	174	176	184	184	182
Earnings per share (Rs.)	34.54	6.71	8.46	2.43	0.11
Dividend %	25	15	15	15	10

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.

INDEPENDENT AUDITOR'S CERTIFICATE TO THE MEMBERS OF YUKEN INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **YUKEN INDIA LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
   - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
   - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm's Registration No: 008072S

S Ganesh
Partner
Membership No. 204108

Place: Bangalore
Date: 28th May, 2016

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

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

A. We have reviewed financial statements and the cash flow statement for year ended 31st March, 2016 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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.

B. 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.

C. 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud 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 over financial reporting.

(H M Narasinga Rao)
Chief Financial Officer &
VP - Finance

(C P Rangachar)
Chief Executive Officer &
Managing Director

Place: Bangalore
Date: 28th May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1. 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 prescribed under section 133 of the Act, as applicable.

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. 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 and the Order under section 143 (11) of the Act.

3.3. We conducted our audit of the standalone financial statements 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. 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. 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, 2016, and its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

5.1 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 standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.1 to the financial statements.

ii. The Company does not have any material foreseeable losses in respect of any long-term contracts including derivative contracts, which have not been provided for.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

5.2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm's Registration No. 008072S

S Ganesh
Partner
Membership No. 204108

Place : Bangalore
Date : 28th May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.1(f) of our report of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **YUKEN INDIA LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company as of and for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

3. Auditor's Responsibility

3.1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

3.2. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

3.3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

S Ganesh
Partner
Membership No. 204108

Place : Bangalore
Date : 28th May 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.2 of our report of even date)

(i) (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.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits as on March 31, 2016.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended 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 been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)*
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2009-10	1,910,749
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2011-12	437,932
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2012-13	9,954,090

*Net of Rs. Nil paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any borrowings from financial institutions and has not issued any debentures.

(ix) 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 raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

S Ganesh
Partner
Membership No. 204108

Place : Bangalore
Date : 28th May 2016

Balance Sheet as at 31st March, 2016

	Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
			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	5,149.45	5,182.22
			5,449.45	**5,482.22**
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	1,223.59	133.71
	(b) Deferred tax liabilities (net)	34(b)	434.37	406.68
	(c) Other long-term liabilities	6	1,497.00	500.17
	(d) Long-term provisions	7	193.04	161.09
			3,348.00	**1,201.65**
3	**Current liabilities**			
	(a) Short-term borrowings	8	4,228.62	3,173.99
	(b) Trade payables			
	(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	9, 27.2	13.23	8.68
	(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9	4,303.21	3,851.32
	(c) Other current liabilities	10	654.95	728.66
	(d) Short-term provisions	11	169.26	193.86
			9,369.27	**7,956.51**
	TOTAL		**18,166.72**	**14,640.38**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12.a	6,900.18	4,973.71
	(ii) Intangible assets	12.b	39.83	66.63
	(iii) Capital work-in-progress		379.61	35.63
			7,319.62	**5,075.97**
	(b) Non-current investments	13	445.42	345.41
	(c) Long-term loans and advances	14	359.42	429.62
	(d) Other non-current assets	15	3.49	4.42
			8,127.95	**5,855.42**
2	**Current assets**			
	(a) Inventories	16	3,282.03	2,680.84
	(b) Trade receivables	17	5,960.10	5,502.01
	(c) Cash and Bank Balances	18	58.21	65.52
	(d) Short-term loans and advances	19	668.84	463.19
	(e) Other current assets	20	69.59	73.40
			10,038.77	**8,784.96**
	TOTAL		**18,166.72**	**14,640.38**
	See accompanying notes forming part of the financial statements	1 - 35		

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

Capt. N S Mohanram
Director

Dr. Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place: Bangalore
Date: 28th May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016

	Particulars	Note No.	For the Year ended 31st March,2016	For the Year ended 31st March,2015
			Rs. in lakhs	Rs. in lakhs
1	Revenue from operations (gross)		22,050.73	20,365.97
	Less : Excise duty		2,284.17	1,954.13
	Revenue from operations (net)	21	19,766.56	18,411.84
2	Other income	22	101.97	198.18
3	**Total revenue (1+2)**		**19,868.53**	**18,610.02**
4	**Expenses**			
	(a) Cost of materials consumed	23.a	9,469.72	9,486.08
	(b) Purchases of stock-in-trade(Traded Goods)	23.b	701.88	15.91
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.c	(323.03)	36.12
	(d) Employee benefit expenses	24	3,486.86	3,189.85
	(e) Finance costs	25	502.78	417.64
	(f) Depreciation and amortisation expense	12.c	460.48	458.06
	(g) Other expenses	26	5,538.83	4,949.43
	Total expenses		**19,837.52**	**18,553.09**
5	**Profit/(Loss) before tax (3 - 4)**		31.01	56.93
6	Tax expense/(Benefit):			
	(a) Current tax expense		16.64	15.00
	(b)Less: MAT credit	34(a)	(12.40)	(6.10)
	(c)Less: MAT credit adjustment of previous year		(4.26)	-
	(d) Deferred tax	34(b)	27.69	(24.77)
	Net tax expense		**27.67**	**(15.87)**
7	**Profit/(Loss) for the Year (5 - 6)**		**3.34**	**72.80**
8	**Earnings per share of Rs.10/- each -Basic and diluted**	32	0.11	2.43
	See accompanying notes forming part of the financial statements	1 - 35		

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

Capt. N S Mohanram
Director

Dr. Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place: Bangalore
Date: 28th May, 2016

Cash Flow Statement for the year ended 31st March, 2016

Rs. in lakhs

	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
A)	**Cash flow from operating activities**		
	Profit/(Loss) before extraordinary items and tax	**31.01**	**56.93**
	Adjustments for		
	Depreciation and amortisation expenses	460.48	458.06
	Interest expense	502.78	417.64
	Provision for doubtful trade receivables (net)	48.75	23.57
	Bad trade and other receivables written off	42.28	33.49
		1,085.30	**989.69**
	Interest income	11.27	12.68
	Profit /(loss) on sale of assets (net)	4.59	101.02
	Net Unrealised Exchange gain/(loss)	20.58	(20.56)
	Dividend income	0.06	0.06
	Liabilities / provisions no longer required written back	15.85	30.52
	Operating profit before working capital changes-(1)	**1,032.95**	**865.97**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets		
	1) Inventories	(601.19)	(164.09)
	2) Trade receivables	(549.11)	(463.61)
	3) Short-term loans and advances	(189.00)	16.70
	4) Long-term loans and advances	(21.85)	(6.68)
	5) Other current assets	2.80	15.39
	6) Other non-current assets	0.93	(1.53)
	Net Changes in Operating Assets-(2)	**(1,357.42)**	**(603.82)**
	Adjustments for (increase) / decrease in operating liabilities		
	1) Trade payables	(489.53)	(437.48)
	2) Other current liabilities	(126.78)	(95.42)
	3) Other long term liabilities	3.17	(27.55)
	4) Short-term provisions	6.55	6.26
	5) Long-term provisions	(31.95)	14.49
	Net Changes in Operating Liabilities-(3)	**(638.54)**	**(539.70)**
	Cash generated from operations (1+2-3)	**314.07**	**801.85**
	Net income tax (paid) / refunds	(19.67)	(79.21)
	Net cash flow from operating activities (A)	**294.40**	**722.64**

Cash Flow Statement for the year ended 31st March, 2016

Rs. in lakhs

	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
B)	**Cash flow from investing activities**		
	1) Capital Expenditure on fixed assets, including capital advances	(2,651.02)	(599.55)
	2) Proceeds from sale of fixed assets	9.41	158.82
	3) Bank Balance not considered as Cash & Cash Equivalent	16.45	22.77
	4) Purchase of long-term investments - Subsidiary	(100.01)	-
	5)Security deposit received towards joint development of property	1,000.00	-
	6) Interest received	12.32	10.45
	7) Dividend received	0.06	0.06
	Net Cash flow from/(used in) Investing activities (B)	**(1,712.79)**	**(407.45)**
C)	**Cash flow from financing activities**		
	1) Proceeds from Long Term Borrowings	1,160.37	177.26
	2) Repayment of Long Term Borrowings	(239.76)	(250.00)
	3) Net increase / (decrease) in working capital borrowings	1,054.62	211.31
	4) Interest paid	(495.02)	(405.16)
	5) Dividends paid	(46.85)	(46.06)
	6) Tax on dividend	(9.16)	(7.30)
	Net Cash flow from / (used in) financing activities (C)	**1,424.20**	**(319.95)**
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**5.81**	**(4.76)**
	Cash and Cash Equivalent at the beginning of the year	**18.76**	**26.95**
	Effect of exchange differences on restatement of foreign currency Cash & Cash Equivalents	3.33	(3.43)
	Cash and cash equivalents at the end of the year	**27.90**	**18.76**
	Cash and cash equivalents as per Note 18	**27.90**	**18.76**

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

Capt. N S Mohanram
Director

Dr. Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place: Bangalore
Date: 28th May, 2016

Yuken India Limited

Notes forming part of the financial statements for the year ended 31st March, 2016

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, as applicable. 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 all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty).

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

Cash comprises of 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
3. Computers & Peripherals	6 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 statement of Profit and Loss 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 Year 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 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

2.16 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.17 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 year. The number of shares used in computing diluted earnings 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 to be converted as at the beginning of the year, unless they have been issued at a later date.

2.18 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 evidence for realization of such asset.

2.19 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.

2.20 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 2016		As at 31st March 2015	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : 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 (Previous year : 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 31st March,2016		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00
As at 31st March,2015		
- 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 31st March,2016		As at 31st March,2015	
	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 shareholders at the ensuing Annual General Meeting.

Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) General reserve		
Opening balance	559.58	555.58
Add : Transferred from Surplus in Statement of Profit and Loss	-	4.00
Closing balance	**559.58**	**559.58**
(b) Surplus in Statement of Profit and Loss		
Opening balance	4,622.64	4,622.94
Less: Depreciation on transition to schedule II of Companies Act 2013 on Tangible Fixed Assets with Nil remaining useful life (net of deferred tax)	-	14.95
Add : Profit/(Loss) for the year	3.34	72.80
Dividends proposed to be distributed to equity shareholders (Current year: Rs.1.00/- per share) (Previous year: Rs.1.50/- per share)	30.00	45.00
Tax on dividend	6.11	9.16
Transferred to general reserve	-	4.00
Closing balance	**4,589.87**	**4,622.64**
Total	**5,149.45**	**5,182.22**

Note 5 Long-term borrowings

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	1,223.59	133.71
Total	**1,223.59**	**133.71**

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

(i)HDFC Bank Ltd Term Loan (a) First charge on the movable fixed assets of Malur Foundry Plant of the Company located at Hedegabanahalli,Malur Taluk,Kolar district. (b) First Charge on the Factory Land and Building of the Malur Foundry Plant of the company located at Hedegabanahalli,Malur Taluk,Kolar district. (c) First Exclusive charge on assets financed by the term loan at Malur Foundry Plant of the Company located at Hedgabanahalli,Malur Taluk,Kolar district (d) Exclusive Charge by way of Equitable mortgage on the Factory Land & Building at Koppathimmanahalli village,Malur Taluk,Kolar District Repayable in 18 quarterly installments at an interest rate of 10.10%

Notes forming part of the financial statements

Note 6 Other long-term liabilities

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(a) Trade / security deposits received	497.00	500.17
(b) Security Deposit received towards Joint Development of property	1,000.00	-
Total	**1,497.00**	**500.17**

Note 7 Long-term provisions

Particulars	As at 31st March,2016	As at 31 March,2015
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
Provision for compensated absences (Refer Note no 28)	193.04	161.09
Total	**193.04**	**161.09**

Note 8 Short-term borrowings

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) and (ii) below)	1,128.62	473.99
Unsecured	3,100.00	2,700.00
Total	**4,228.62**	**3,173.99**

Details of security for the short-term borrowing

(i) SBI Cash Credit - Secured by pari-passu charge on inventory,receivables and other current assets of the Company (both existing and future) and equitable mortgage of Factory Land and Building at Doddanekkundi ,Bangalore and Factory Land and Building at Peenya,Bangalore and charge on unencumbered fixed assets of the company .

(ii) HDFC Bank Limited Overdraft -(a) First charge on the movable Fixed Assets of Malur Foundry plant of the Company.
(b) First charge on Land and Building at Malur Foundry Plant of the Company.
(c) Exclusive Charge on Plant & Machinery at Malur Foundry Plant.

Note 9 Trade payables

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 27.2)	13.23	8.68
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	4,303.21	3,851.32
Total	**4,316.44**	**3,860.00**

Notes forming part of the financial statements

Note 10 Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	61.79	231.05
(b) Interest accrued but not due on borrowings	13.42	4.79
(c) Unpaid dividends	5.34	7.19
(d) Other payables		
(i) Statutory remittances	220.07	123.19
(ii) Payables on purchase of fixed assets	24.19	61.34
(iii) Payable towards superannuation	103.40	94.34
(iv) Payable towards defined benefit obligations (Refer Note 28.2)	90.96	66.27
(v) Interest accrued on trade payables (Refer Note 27.2)	1.62	2.49
(vi) Advance from customers	124.02	124.65
(vii) Security deposits Received	5.87	9.95
(viii) Others	4.27	3.40
Total	**654.95**	**728.66**
Note (i): Current maturities of long-term debt		
(a) Term loans		
From banks		
Secured	61.79	231.05
Total	**61.79**	**231.05**

Note 11 Short-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Provision for Employee Benefits (Refer Note 28)		
(i) Provision for compensated absences	20.49	27.04
(b) Provision - Others		
(i) Provision for tax (Net of Advance tax of Rs 1,550.17 Lakhs (As at 31st March 2015 Rs 1,550.17 Lakhs)	112.66	112.66
(ii) Provision for proposed dividend	30.00	45.00
(iii) Provision for tax on proposed dividend	6.11	9.16
Total	**169.26**	**193.86**

Notes forming part of the financial statements

Note 12 (a) Fixed assets - Tangible

Rs. In Lakhs

TANGIBLE ASSETS	Gross Block				Accumulated Depreciation					Net Block	
Particulars	Balance as at 1st April, 2015	Additions	Disposals	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation For the year	Depreciation Eliminated on Disposal of Assets	Depreciation adjustment to opening reserves	Balance as at 31st March, 2016	Balance as at 31st March,2016	Balance as at 31st Mar,2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land (Refer note below)	265.59	1,970.14	-	2,235.73	-	-	-		-	2,235.73	265.59
Owned											
Buildings	1,654.59	12.49	-	1,667.08	281.33	46.55	-	-	327.88	1,339.20	1,373.26
Plant Machinery & Equipment	4,335.28	250.26	4.86	4,580.68	1,900.79	267.18	1.79	-	2,166.18	2,414.50	2,434.49
Electrical Installation	411.01	4.50	-	415.51	103.26	19.21	-	-	122.47	293.04	307.75
Furniture / Fixtures	125.89	3.27	-	129.16	85.39	8.25	-	-	93.64	35.52	40.50
Office Equipments	575.01	79.88	-	654.89	326.02	55.89	-	-	381.91	272.98	248.99
Jigs/Fixtures	599.74	44.43	-	644.17	327.54	25.84	-	-	353.38	290.79	272.20
Motor Vehicles	127.73	-	15.88	111.85	96.80	10.76	14.13	-	93.43	18.42	30.93
Total (A)	**8,094.84**	**2,364.97**	**20.74**	**10,439.07**	**3,121.13**	**433.68**	**15.92**	**-**	**3,538.89**	**6,900.18**	**4,973.71**
	(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)	

Note 12 (b) Fixed assets - Intangible

Rs. In Lakhs

INTANGIBLE ASSETS	Gross Block				Accumulated Amortisation					Net Block	
Particulars	Balance as at 1st April,2015	Additions	Disposals	Balance as at 31st March,2016	Balance as at 1st April,2015	Amortisation expense for the year	Eliminated on Disposal of Assets	Adjustment to opening reserves	Balance as at 31st March,2016	Balance as at 31st March,2016	Balance as at 31st Mar,2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Otherthan Internally Generated	-	-	-	-	-	-	-		-	-	-
ERP Software	239.88	-	-	239.88	181.40	22.71	-	-	204.11	35.77	58.48
Technical Fee	53.80	-	-	53.80	45.65	4.09	-	-	49.74	4.06	8.15
Total (B)	**293.68**	**-**	**-**	**293.68**	**227.05**	**26.80**	**-**	**-**	**253.85**	**39.83**	**66.63**
	(289.05)	(4.63)	-	(293.68)	(200.64)	(26.41)	-	-	(227.05)	(66.63)	
Total (A) +(B)	**8,388.52**	**2,364.97**	**20.74**	**10,732.75**	**3,348.18**	**460.48**	**15.92**	**-**	**3,792.74**	**6,940.01**	**5,040.34**
	(8,096.55)	(499.44)	(207.47)	(8,388.52)	(2,968.18)	(458.06)	(99.69)	(21.63)	(3,348.18)	(5,040.34)	

Note 12 (c) Depreciation and amortisation expense

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
	Rs.	Rs.
Depreciation expense for the year on tangible assets as per Note(a)	433.68	(431.65)
Amortisation expense for the year on intangible assets as per Note(b)	26.80	(26.41)
Depreciation and Amortisation expense - total	**460.48**	**(458.06)**

Note: 1.Figures in brackets relates to previous year.
2. The Company executed Joint Development Agreement with Brigade Enterprises Ltd for development of Company's property situated at Whitefield,Bangalore on 3rd February,2016.

Notes forming part of the financial statements

Note 13 Non-current investments

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
Investments (At cost)- :		
A.Trade		
a) Investment in equity shares of subsidiaries		
19,96,000 (As at 31.03.2015 : 9,96,000) fully paid equity shares of Rs.10/-each of Yuflow Engineering Pvt Ltd.	260.20	160.20
619,100 (As at 31.03.2015 : 619,100) fully paid equity shares of Rs.10/- each of Coretec Engineering India Pvt Ltd.	23.14	23.14
	283.34	**183.34**
b) Investment in equity shares of associates		
360,000 (As at 31.03.2015 : 360,000) fully paid equity shares of Rs 10/- each of Sai India Ltd	20.00	20.00
437,200 (As at 31.03.2015 : 437,100) fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd.	43.72	43.71
	63.72	**63.71**
c) Investment in equity shares of others		
941,330 (As at 31.03.2015 : 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)	**441.19**	**341.18**
B.Other investments		
a) Investment in equity shares of associates		
37,300 (As at 31.03.2015 : 37,300) 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 31.03.2015 : 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)	**445.42**	**345.41**
Aggregate amount of unquoted investments	**445.42**	**345.41**

Notes forming part of the financial statements

Note 14 Long-term loans and advances

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
Unsecured, considered good		
(a) Capital advances	16.76	111.84
(b) Security deposits	120.09	108.03
(c) Loans and advances to employees	6.08	4.99
(d) Advance income tax (net of provision for Income tax - Rs 1,035.24 Lakhs (As at 31st March 2015 - Rs 1,018.60 Lakhs)	205.29	202.25
(e) Prepaid expenses	9.79	1.10
(f) Other loans and advances	1.41	1.41
Total	**359.42**	**429.62**

Note 15 Other non-current assets

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(Unsecured, considered good)		
Others		
Balance held as margin money account (refer note below)	3.49	4.42
Total	**3.49**	**4.42**
Note - Balances in margin money accounts are under lien.		

Note 16 Inventories

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,645.27	1,430.22
(b) Goods-in-transit - rawmaterial	23.77	17.78
(c) Work-in-progress	711.00	592.71
(d) Finished goods (other than those acquired for trading)	654.00	540.09
(e) Stock-in-trade	119.76	5.18
(f) Loose tools	128.23	94.86
Total	**3,282.03**	**2,680.84**
For details of work in progress,refer note 23(c)		

Notes forming part of the financial statements

Note 17 Trade receivables

Particulars	As at 31st March,2016	As at 31st March,2015
	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	510.78	421.51
Doubtful	180.68	131.93
	691.46	553.44
Less: Provision for doubtful trade receivables	180.68	131.93
	510.78	**421.51**
Other trade receivables		
Unsecured, considered good	5,449.32	5,080.50
	5,449.32	**5,080.50**
Total	**5,960.10**	**5,502.01**

Note 18 Cash and Bank balances

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(A) Cash and cash equivalents(as per AS 3 Cash Flow Statement)		
(a) Cash on hand	7.40	4.35
(b) Balances with banks		
(i) In current accounts	17.32	8.41
(ii) In EEFC accounts	3.18	6.00
Total Cash and cash equivalents as per AS 3 Cash Flow Statement (A)	**27.90**	**18.76**
(B) Other bank balances		
In Earmarked accounts		
- Unpaid dividend accounts	5.18	7.19
- Balance held as margin money	25.13	39.57
Total other bank balances (B)	**30.31**	**46.76**
Cash and Bank balances(A + B)	**58.21**	**65.52**

Notes forming part of the financial statements

Note 19 Short-term loans and advances

Particulars	As at 31st March,2016	As at 31st March,2015
	Rs. in lakhs	Rs. in lakhs
(Unsecured,considered good)		
(a) Advances to related parties (Refer Note 30)	61.50	9.98
(b) Security deposits	21.87	12.67
(c) Loans and advances to employees	4.20	10.15
(d) Prepaid expenses	106.84	35.69
(e) Balances with government authorities		
CENVAT credit receivable	103.12	73.62
VAT credit receivable	21.55	20.17
Service tax credit receivable	43.10	3.23
	167.77	**97.02**
(f) MAT credit entitlement (Refer Note 34)	108.75	92.10
(g) Advance to suppliers	183.42	191.08
(h) Others	14.49	14.50
Total	**668.84**	**463.19**

Note 20 Other current assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	3.24	4.29
Other receivables(Rs.50 lakhs towards sale of Fixed Asset)	50.00	51.81
Duty drawback receivable	7.91	8.86
Rent receivable	8.44	8.44
Total	**69.59**	**73.40**

Notes forming part of the financial statements

Note 21 Revenue from operations

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Sale of products(Refer Note (i) below)	21,932.26	20,248.65
	Less : Excise duty	2,284.17	1,954.13
		19,648.09	**18,294.52**
(b)	Other operating revenues (Refer Note (ii) below)	118.47	117.32
	Total	**19,766.56**	**18,411.84**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(i)	**Sale of products comprises :**		
	Manufactured goods		
	Hydraulic pump, valves,etc	13,867.04	13,949.87
	Hydraulic systems	4,318.87	3,956.15
	Cast Iron castings	2,794.60	2,306.29
	Total - sale of Manufactured goods	**20,980.51**	**20,212.31**
	Traded goods		
	Cartridges	69.75	28.10
	Other Items	882.00	8.24
	Total - sale of traded goods	**951.75**	**36.34**
	Total - sale of Products	**21,932.26**	**20,248.65**
(ii)	**Other operating revenues comprises :**		
	Training and other services rendered	107.88	90.03
	Duty drawback	10.59	13.18
	Export Incentive received	-	1.58
	Income from generation of power	-	12.53
	Total	**118.47**	**117.32**

Notes forming part of the financial statements

Note 22 Other income

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Interest income (Refer Note (i) below)	60.56	45.27
(b)	Dividend from long term Investment - others	0.06	0.06
(c)	Other non-operating income (Refer Note (ii) below)	41.35	152.85
	Total	**101.97**	**198.18**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(i)	**Interest income comprises:**		
	a) on deposits with banks	1.88	7.46
	b) on overdue trade receivables	49.29	32.59
	c) on others	9.39	5.22
	Total	**60.56**	**45.27**
(ii)	**Other non-operating income comprises:**		
	a) Liabilities/ provisions no longer required written back		
	-associates	-	-
	- others	15.85	30.52
	b) Profit on sale of fixed assets (net)	4.59	101.02
	c) Insurance claim received	0.21	-
	d) Miscellaneous income	20.70	21.31
	Total	**41.35**	**152.85**

Note 23.a Cost of materials consumed

Sl. No.	Particulars	For the Year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Opening stock	1,430.22	1,255.53
(b)	**Add** : Purchases	9,684.77	9,660.77
		11,114.99	**10,916.30**
(c)	**Less** : Closing stock	1,645.27	1,430.22
	Cost of Materials Consumed	**9,469.72**	**9,486.08**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(i)	**Raw materials consumed comprises:**		
	Steel	313.71	289.94
	Castings	842.06	819.19
	Others	8,313.95	8,376.95
	Total	**9,469.72**	**9,486.08**
	Note: Details of others have not been given since none of the individual items constitutes greater than 10% of the value.		

Notes forming part of the financial statements

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

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(i)	Cartridges	26.67	13.00
(ii)	Other Items	675.21	2.91
	Total	**701.88**	**15.91**

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

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
	Inventories at the end of the year:		
(a)	Finished goods	555.73	465.57
(b)	Work-in-progress (Refer Note below)	711.00	592.70
(c)	Stock-in-trade	119.75	5.18
		1,386.48	**1,063.45**
	Inventories at the beginning of the year:		
(a)	Finished goods	465.57	320.79
(b)	Work-in-progress	592.70	759.97
(c)	Stock-in-trade	5.18	18.81
		1,063.45	**1,099.57**
	Net (increase) / decrease	**(323.03)**	**36.12**

Note: Details of inventory of Work-in-progress

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs.in lakhs
	Hydraulic elements	370.11	328.23
	Hydraulic power units	104.72	73.49
	Cast Iron castings and alloyed Iron castings	179.71	102.89
	Gear pumps	56.46	88.10
		711.00	**592.70**

Note 24 Employee benefits expense

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Salaries and wages	3,031.34	2,740.33
(b)	Contributions to provident and other funds(Refer Note 28.1)	274.50	274.67
(c)	Staff welfare expenses	181.02	174.85
	Total	**3,486.86**	**3,189.85**

Notes forming part of the financial statements

Note 25 Finance costs

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Interest expenses on borrowings	496.49	401.15
(b)	Interest on dealers deposits and others	0.98	16.49
(c)	Other borrowing costs	5.31	-
	Total	**502.78**	**417.64**

Note 26 Other expenses

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31 March ,2015
		Rs. in lakhs	Rs. in lakhs
(a)	Consumption of stores and spare parts	514.10	433.64
(b)	Tools consumed	92.27	124.82
(c)	Consumption of packing materials	252.13	240.96
(d)	Increase / (decrease) of excise duty on inventory	23.75	27.68
(e)	Subcontracting	1,245.62	1,129.49
(f)	Power and fuel	800.66	692.56
(g)	Rent including lease rentals (Refer Note 31)	135.57	119.72
(h)	Repairs and maintenance - Buildings	28.46	41.33
(i)	Repairs and maintenance - Machinery	350.09	273.53
(j)	Repairs and maintenance - Others	6.01	10.46
(k)	Vehicle maintenance	102.82	98.21
(l)	Insurance	11.89	13.21
(m)	Rates and taxes	67.69	60.47
(n)	Travelling and conveyance	450.44	406.95
(o)	Freight and forwarding	286.42	299.05
(p)	Legal and professional charges	323.01	270.79
(q)	Payments to auditors (Refer Note (i) below)	18.37	17.24
(r)	Bad trade and other receivables written off	42.28	33.49
(s)	Net loss on foreign currency transactions and translation	77.25	41.03
(t)	Provision for doubtful trade receivables (net)(Note:Rs.21.99 Lakhs(For year ended 31st March 2015- Rs 13.86 Lakhs)amount released includes write back/realized)	48.75	23.57
(u)	Miscellaneous expenses	661.25	591.23
	Total	**5,538.83**	**4,949.43**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31 March ,2015
		Rs. in lakhs	Rs. in lakhs
(i)	**Payments to the auditors comprises (net of service tax input credit):**		
	a) For statutory audit	14.25	11.25
	b) For taxation matters	2.00	2.00
	c) For company law matters	0.75	0.75
	d) Reimbursement of Expenses	1.37	3.24
	Total	**18.37**	**17.24**

Notes forming part of the financial statements

Note 27 Additional information to the financial statements

	Particulars		As at 31st March, 2016	As at 31st March, 2015
			Rs In lakhs	Rs In lakhs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**			
(i)	**Contingent liabilities**			
	(a) Corporate guarantee given by the Company on behalf of subsidiaries.		340.00	461.00
	(b) Disputed income tax liabilities:		123.01	-
	b.1 AY 2009-10	19.10		
	b.2 AY 2011-12	4.37		
	b.3 AY 2012-13	99.54		
(ii)	Commitments			
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for			
	Tangible assets		221.39	41.41

27.2 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Rs In lakhs	Rs In lakhs
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	13.23	8.68
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.65	1.44
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1.84	7.00
	(iv) The amount of interest due and payable for the year	0.98	1.05
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.62	2.49
	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.		

Notes forming part of the financial statements

27.3 (i) Outstanding forward exchange contracts entered into by the Company

	Currency	As at 31st March, 2016 Amount (In lakhs)	Buy / Sell	Cross currency
	USD	2.00	Buy	Nil
	USD	(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 31st March, 2016		As at 31st March, 2015	
		Rs. In lakhs	Foreign currency (In Lakhs)	Rs. In lakhs	Foreign currency (In Lakhs)
	Trade receivables				
		107.87	USD 1.62	129.32	USD 2.06
		99.12	EUR 1.33	32.51	EUR 0.48
		1.50	JPY 2.56	8.81	JPY16.90
	Trade payables				
		978.67	USD 14.70	1,252.01	USD20.03
		1.01	EUR 0.01	69.97	EUR 1.04
		2.39	JPY 4.07	2.60	JPY 5.00
	EEFC balances				
		1.77	EUR 0.02	0.95	EUR 0.01
		1.41	USD 0.02	5.05	USD 0.08

27.4 **Value of imports calculated on CIF basis:**

	Particulars	Year ended 31st March, 2016 Rs in lakhs	Year ended 31st March, 2015 Rs in lakhs
	Raw materials	3,212.95	3,338.93
	Capital goods	4.64	16.99
	Total	**3,217.59**	**3,355.92**

27.5 **Expenditure in foreign currency :**

	Particulars	Year ended 31st March, 2016 Rs in lakhs	Year ended 31st March, 2015 Rs in lakhs
	Brand fees	75.03	72.78
	Royalty	5.55	7.48
	Interest	0.80	0.22
	Others	42.75	30.61

Notes forming part of the financial statements

27.6 **Details of consumption of imported and indigenous items**

	Particulars	For the year ended 31st March, 2016	
		Rs in lakhs	%
	Imported		
	Raw materials	2,971.59	30.17
		(3,191.86)	(33.46)
	Total	2,971.59	30.17
		(3,191.86)	(33.46)
	Indigenous		
	Raw materials	6,876.99	69.83
		(6,346.25)	(66.54)
	Total	**6,876.99**	**69.83**
		(6,346.25)	(66.54)
	Total	**9,848.58**	**100.00**
		(9,538.11)	(100.00)
	Note: Figures in brackets relate to the previous year		

27.7 **Earnings in foreign exchange :**

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
		Rs in lakhs	Rs in lakhs
	Export of goods calculated on FOB basis	574.02	647.38
	Other income	22.46	11.71

27.8 **Amounts remitted in Foreign currency during the year on account of Dividends**

	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
		Rs in lakhs	Rs in lakhs
	Amount of Dividends remitted in Foregin currency	18.00	18.00
	Total number of non-resident shareholders (to whom the dividends were remitted in foregin 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	2014-15	2013-14

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards

Employee benefit plans

28.1 Defined contribution plan

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.124.46 lakhs (Year ended 31st March, 2015 Rs.115.47 lakhs) for provident fund contributions and Rs.105.92 lakhs (Year ended 31st March, 2015 Rs.95.76 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.

28.2 Defined benefit plans

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	31st March,2016	31st March,2015
Components of employer expense		
Current service cost	27.49	21.01
Interest cost	21.69	21.90
Expected return on plan assets	(16.65)	(14.96)
Actuarial losses/(gains)	11.60	35.49
Total expense recognised in the Statement of Profit and Loss	**44.13**	**63.44**
Actual contribution and benefit payments for year		
Actual benefit payments	16.36	37.92
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligations	(314.13)	(273.95)
Fair value of plan assets	223.17	207.68
Funded status [Surplus / (Deficit)]	(90.96)	(66.27)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(90.96)**	**(66.27)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	273.95	233.80
Current service cost	27.49	21.01
Interest cost	21.69	21.90
Actuarial (gains) / losses	7.36	35.16
Benefits paid	(16.36)	(37.92)
Present value of DBO at the end of the year	**314.13**	**273.95**
Change in fair value of assets during the year		
Plan assets at the beginning of the year	207.68	188.46
Expected return on plan assets	16.65	14.96

Notes forming part of the financial statements

Actual company contributions	20.00	42.51
Actuarial gains / (losses)	(4.80)	(0.33)
Benefits paid	(16.36)	(37.92)
Plan assets at the end of the year	**223.17**	**207.68**
Actual return on plan assets	11.60	14.63
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	7.90%	7.90%
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.90.96 lakhs (Previous year - Rs.66.27 lakhs) towards gratuity funds during the next year.

Experience adjustments

	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
(i) Gratuity					
Present value of defined benefit obligations	(314.13)	(273.95)	(233.80)	202.35	184.88
Fair value of plan assets	223.17	207.68	188.46	180.45	176.82
Funded status [Surplus / (Deficit)]	(90.96)	(66.27)	(45.34)	(21.90)	(8.06)
Experience gain / (loss) adjustments on plan liabilities	7.36	10.65	21.55	5.74	1.04
Experience gain / (loss) adjustments on plan assets	(4.24)	(0.33)	1.36	4.88	(8.55)

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

(ii) Compensated absences

	Year ended 31st March, 2016	Year ended 31st March, 2015
Charge in the Statement of Profit and Loss	48.61	24.45
Liability as at the year end	213.53	188.13
Actuarial assumptions		
Discount rate	7.90%	7.90%
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.

Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards (contd.)

Note	Particulars					
29.1	**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.					
29.2	**Particulars**	**Hydraulic business**	**Other business**	**Eliminations**	**Unallocated**	**Total**
						Rs.in Lakhs
	Revenue from operations	17,164.15	3,417.58	933.64	-	19,648.09
		(16,211.00)	(2,874.52)	(791.00)		(18,294.52)
	Operating Income	96.80	21.67		-	118.47
		(80.32)	(37.00)		-	(117.32)
	Sales and other operating Income	17,260.95	3,439.25	933.64	-	19,766.56
		(16,291.32)	(2,911.52)	(791.00)	-	(18,411.84)
	Segment result before interest, other income and taxes	2,597.12	-805.98		-1,359.33	431.81
		(2,264.64)	(-673.00)		(-1315.25)	(276.39)
	Add:Other income	5.32	5.94		90.71	101.97
		(41.00)	(4.00)		(153.18)	(198.18)
	Less: Finance costs				**502.77**	**502.77**
					(417.64)	(417.64)
	Profit before taxes					**31.01**
						(56.93)
	Taxes					**27.67**
						(-15.87)
	Profit after taxes					**3.34**
						(72.80)

Notes forming part of the financial statements

29.3 Other information **Rs.in Lakhs**

	Particulars	Hydraulic business	Other business	Unallocated	Total
	Segment assets	10,808.80	3,892.90	3,114.87	17,816.57
		(9,773.39)	(3,879.72)	(692.91)	(14,346.02)
	Segment liabilities	4,603.96	802.87	6,727.30	12,134.13
		(4,128.46)	(935.29)	(3,575.05)	(8,638.80)
	Capital expenditure	119.83	248.01	2,341.11	2,708.95
		(149.79)	(328.51)	(33.77)	(512.07)
	Depreciation	218.68	198.11	43.69	460.48
		(258.06)	(163.00)	(37.00)	(458.06)

Notes:

1. Segmentwise bifurcation of Assets & Liabilities for Hydraulic Business and Other Business are shown to the extent identifiable, other assets and liabilities jointly used by all segments are shown as unallocated.

2.Figures in brackets relate to previous year.

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards

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 Madhuri Rangachar
Entity having significant influence	Yuken Kogyo Co Ltd

Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016

Rs in lakhs

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Purchase of fixed assets						
Coretec Engineering India Pvt Ltd.	74.95	-	-	-	-	74.95
	(127.51)	-	-	-	-	(127.51)
Yuflow Engineering Pvt Ltd.	10.90	-	-	-	-	10.90
	(28.39)	-	-	-	-	(28.39)
Purchase of goods and services received						
Coretec Engineering India Pvt Ltd.	904.12	-	-	-	-	904.12
	(768.74)	-	-	-	-	(768.74)
Yuflow Engineering Pvt Ltd.	878.50	-	-	-	-	878.50
	(889.06)	-	-	-	-	(889.06)
Yuken Kogyo Co Ltd.	-	-	-	-	1,797.97	1,797.97
	-	-	-	-	(1,803.91)	(1,803.91)
Sai India Ltd.	-	14.80	-	-	-	14.80
	-	(20.20)	-	-	-	(20.20)

Notes forming part of the financial statements

Rs in lakhs

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Kolben Hydraulics Ltd.	-	41.37	-	-	-	41.37
	-	(51.48)	-	-	-	(51.48)
Bourton Consulting (India) Pvt Ltd.	-	13.18	-	-	-	13.18
	-	(3.03)	-	-	-	(3.03)
Sale of fixed assets						
Yuflow Engineering Pvt Ltd.	-	-	-	-	-	-
	(2.08)	-	-	-	-	(2.08)
Coretec Engineering India Pvt Ltd.	31.29	-	-	-	-	31.29
	(1.09)	-	-	-	-	(1.09)
Sale of goods and services						
Coretec Engineering India Pvt Ltd.	46.08	-	-	-	-	46.08
	(5.66)	-	-	-	-	(5.66)
Yuflow Engineering Pvt Ltd.	11.95	-	-	-	-	11.95
	(72.93)	-	-	-	-	(72.93)
Yuken Kogyo Co Ltd.	-	-	-	-	25.56	25.56
	-	-	-	-	(21.63)	(21.63)
Kolben Hydraulics Ltd.	-	3.74	-	-	-	3.74
	-	(1.09)	-	-	-	(1.09)
Sai India Ltd.	-	67.49	-	-	-	67.49
	-	(28.92)	-	-	-	(28.92)
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)
Investment made in equity shares						
Yuflow Engineering Pvt Ltd.	100.00	-	-	-	-	100.00
	-	-	-	-	-	-

Notes forming part of the financial statements

Rs in lakhs

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Corporate guarantee given						
Coretec Engineering India Pvt Ltd.	8.00	-	-	-	-	8.00
	(65.00)	-	-	-	-	(65.00)
Yuflow Engineering Pvt Ltd.	-	-	-	-	-	-
	(37.00)	-	-	-	-	(37.00)
Decrease in Corporate guarantee						
Coretec Engineering India Pvt Ltd.	129.00	-	-	-	-	129.00
	-	-	-	-	-	-
Directors remuneration						
Mr. C P Rangachar	-	-	55.32	-	-	55.32
	-	-	(52.84)	-	-	(52.84)
Payment towards expenses						
Mrs. Vidya Rangachar	-	-	-	1.80	-	1.80
	-	-	-	(1.80)	-	(1.80)
Advance given towards purchase of goods						
Yuflow Engineering Pvt Ltd.	61.50	-	-	-	-	61.50
	(9.98)	-	-	-	-	(9.98)
Amount outstanding (Receivables)						
Coretec Engineering India Pvt Ltd.	31.29	-	-	-	-	31.29
	(80.04)	-	-	-	-	(80.04)
Yuflow Engineering Pvt Ltd.	51.57	-	-	-	-	51.57
	(139.61)	-	-	-	-	(139.61)
Yuken Kogyo Co Ltd.	-	-	-	-	5.36	5.36
	-	-	-	-	(11.78)	(11.78)
Sai India Ltd.	-	38.06	-	-	-	38.06
	-	(28.69)	-	-	-	(28.69)
Kolben Hydraulics ltd.	-	13.70	-	-	-	13.70
	-	(16.18)	-	-	-	(16.18)
Amount outstanding (Advance towards purchase of goods and services)						
Yuflow Engineering Pvt Ltd.	61.50	-	-	-	-	61.50
	(9.98)	-	-	-	-	(9.98)

Notes forming part of the financial statements

Rs in lakhs

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Amount oustanding (Payables)						
Coretec Engineering India Pvt Ltd	195.99	-	-	-	-	195.99
	(204.37)	-	-	-	-	(204.37)
Yuken Kogyo Co Ltd.	-	-	-	-	826.56	826.56
	-	-	-	-	(1,096.05)	(1,096.05)
Sai India Ltd.	-	10.75	-	-	-	10.75
	-	(20.20)	-	-	-	(20.20)
Kolben Hydraulics ltd.	-	5.65	-	-	-	5.65
	-	(4.62)	-	-	-	(4.62)
Bourton Consulting (India) Pvt Ltd.	-	0.31	-	-	-	0.31
	-	-	-	-	-	-
Directors remuneration payable						
Mr C P Rangachar	-	-	6.34	-	-	6.34
	-	-	(4.52)	-	-	(4.52)
Guarantees given						
Coretec Engineering India Pvt Ltd.	120.00	-	-	-	-	120.00
	(249.00)	-	-	-	-	(249.00)
Yuflow Engineering Pvt Ltd.	220.00	-	-	-	-	220.00
	(212.00)	-	-	-	-	(212.00)

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 on 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.

Note 31 to 35 Disclosures under Accounting Standards

31	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. 135.57 Lakhs (Previous year - Rs.119.72 Lakhs) which has been grouped under 'Rent' under note 26. There are no contingent rents payable.		
	Particulars	**For the year ended 31st March, 2016**	**For the year ended 31st March, 2015**
32	**Earnings per share**		
	Basic and diluted		
	Net profit for the year from operations attributable to the equity shareholders- Rs. in lakhs	3.34	72.80
	Weighted average number of equity shares- in lakhs	30.00	30.00
	Par value per share- Rs.	10.00	10.00
	Earnings per share from operations - Basic and diluted-Rs.	0.11	2.43

Notes forming part of the financial statements

33	During the previous 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. 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.14.95 lakhs (net of deferred tax of Rs. 6.68 lakhs) against the opening Surplus balance in the Statement of Profit and Loss of previous year under Reserves and Surplus. The depreciation expense in the Statement of Profit and loss for the previous year is higher by Rs. 17.28 lakhs consequent to the change in the useful life of the assets.

34 **(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.

Rs in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(b) Deferred tax (liabilities) / assets		
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	590.79	568.27
Adjustment on account of depreciation adjustment in Reserves and surplus	(6.68)	(6.68)
Tax effect of items constituting deferred tax liability	584.11	561.59
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and gratuity	93.91	78.61
Others - Business loss	-	35.53
Provision for doubtful trade receivables	55.83	40.77
Tax effect of items constituting deferred tax assets	149.74	154.91
Net deferred tax (liabilities) / assets	**434.37**	**406.68**

35	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 35
For and on behalf of the Board of Directors

C P Rangachar
Managing Director

Capt. N S Mohanram
Director

Dr. Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place: Bangalore
Date: 28th May 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1. 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, 2016, 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. 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 prescribed under Section 133 of the Act, as applicable. 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 Directors of the Holding Company, as aforesaid.

3. 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. 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. 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other Matters

a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.886.09 lakhs as at March 31, 2016, total revenues of Rs.192.32 lakhs and net cash flows amounting to Rs. (3.02) 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 profit of Rs.1.5 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two 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, is based solely on the reports of the other auditors. The consolidated financial statements also include the Group's share of net loss of Rs. 15.32 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and 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 this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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. Report on Other Legal and Regulatory Requirements

6.1. 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 prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 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 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/subsidiary company's/associate company's incorporated in India, internal financial controls over financial reporting.

g) 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. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, 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 : 28th May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 6.1 (F) of our report of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Yuken India Limited ("the Holding Company"), its subsidiary companies and its associate companies, which are companies incorporated in India, as of March 31, 2016, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

2. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

3.2. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

3.3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, and its associate companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

7. Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

S Ganesh
Partner
Membership No. 204108

Place : Bangalore
Date : 28th May 2016

Consolidated Balance Sheet as at 31st March,2016

	Particulars	Note No.	As at 31st March, 2016 Rs. In Lakhs	As at 31st March, 2015 Rs. In Lakhs
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	300.00	300.00
	(b) Reserves and surplus	4	5,143.10	5,379.69
			5,443.10	**5,679.69**
2	**Minority Interest**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	1,223.59	134.20
	(b) Deferred tax liabilities (net)	33 (b)	464.93	438.92
	(c) Other long-term liabilities	6	1,497.00	500.17
	(d) Long-term provisions	7	220.66	188.97
			3,406.18	**1,262.26**
4	**Current liabilities**			
	(a) Short-term borrowings	8	4,544.85	3,460.08
	(b) Trade payables			
	(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	9, 27.2	13.23	8.68
	(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9	4,483.01	4,061.44
	(c) Other current liabilities	10	704.31	762.24
	(d) Short-term provisions	11	186.36	200.71
			9,931.76	**8,493.15**
	TOTAL		**18,781.04**	**15,435.10**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12.a	7,299.61	5,406.80
	(ii) Intangible assets	12.b	40.37	66.97
	(iii) Capital work-in-progress		355.77	10.22
			7,695.75	**5,483.99**
	(b) Non-current investments	13	434.67	449.27
	(c) Long-term loans and advances	14	429.02	499.16
	(d) Other non-current assets	15	3.49	4.42
			8,562.93	**6,436.84**
2	Goodwill arising on consolidation		**35.61**	**35.61**
3	**Current assets**			
	(a) Inventories	16	3,444.58	2,944.21
	(b) Trade receivables	17	5,979.30	5,376.95
	(c) Cash and bank balances	18	61.76	72.11
	(d) Short-term loans and advances	19	627.27	495.97
	(e) Other current assets	20	69.59	73.41
			10,182.50	**8,962.65**
	TOTAL		**18,781.04**	**15,435.10**
	See accompanying notes forming part of the financial statements	1 - 37		

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

For and on behalf of the Board of Directors

S Ganesh
Partner

Capt. N S Mohanram
Director

Dr. Premchander
Director

C P Rangachar
Managing Director

Place: Bangalore
Date: 28th May, 2016

Sridevi Chintada
Company Secretary

H M Narasinga Rao
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

	Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
			Rs. In Lakhs	Rs. In Lakhs
1	Revenue from operations (gross)		22,206.00	20,616.75
	Less : Excise duty		2,302.71	1,987.98
	Revenue from operations (net)	21	19,903.29	18,628.77
2	Other income	22	107.66	216.60
3	**Total revenue (1+2)**		**20,010.95**	**18,845.37**
4	**Expenses**			
	(a) Cost of materials consumed	23.a	8,968.61	8,986.64
	(b) Purchases of stock-in-trade	23.b	701.88	15.91
	(c) Changes in inventories of finished goods work-in-progress and stock-in-trade	23.c	(301.21)	24.69
	(d) Employee benefits expense	24	3,700.69	3,393.57
	(e) Finance costs	25	542.84	457.90
	(f) Depreciation and amortisation expense	12.c	510.25	518.83
	(g) Other expenses	26	6,028.17	5,402.59
	Total expenses		**20,151.23**	**18,800.13**
5	**Profit/(Loss) before and exceptional item and tax (3-4)**		(140.28)	45.24
6	**Profit/(Loss) before Tax**		(140.28)	45.24
7	**Tax expense:**			
	(a) Current tax expense		33.90	21.84
	(b) MAT credit entitlement	33.a	(12.40)	(6.10)
	(c) Less: MAT credit adjustment of previous year		(4.26)	-
	(d) Short provision for tax relating to prior years		3.13	0.94
	(e) Deferred tax	33.b	26.01	(25.58)
	Net tax expense		**46.38**	**(8.90)**
8	**Profit/(Loss) before minority interest/Equity earnings of Associates (6 - 7)**		**(186.66)**	**54.14**
9	**Less: Minority Interest**		-	-
	Add: Equity earnings of Associates		(13.82)	(37.20)
10	**Profit/(Loss) for the year**		**(200.48)**	**16.94**
11	**Earnings per share of Rs.10/- each:**			
	Basic and diluted	32	(6.68)	0.57
	See accompanying notes forming part of the financial statements	1 - 37		

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

S Ganesh
Partner

For and on behalf of the Board of Directors

Capt. N S Mohanram
Director

Dr. Premchander
Director

C P Rangachar
Managing Director

Sridevi Chintada
Company Secretary

H M Narasinga Rao
Chief Financial Officer

Place: Bangalore
Date: 28th May, 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

Rs. In Lakhs

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(140.28)		45.24
Adjustments for:				
Depreciation and amortisation	510.25		518.83	
Profit on sale of assets	(6.41)		(101.83)	
Interest expense	542.84		440.73	
Interest income	(60.75)		(13.90)	
Dividend income	(0.06)		(0.06)	
Liabilities / provisions no longer required written back	(15.85)		(36.13)	
Provision for doubtful trade and other receivables (Net)	48.75		23.57	
Bad trade and other receivables written off	42.33		37.89	
Unrealised exchange difference on translation of foreign currency cash and cash equivalents	(3.33)		(3.43)	
Net unrealised exchange gain/(loss) on other than cash and cash equivalents	(17.24)	1,040.53	(17.13)	848.54
Operating profit / (loss) before working capital changes		**900.25**		**893.78**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(500.37)		(233.56)	
Trade receivables	(693.41)		(343.95)	
Short-term loans and advances	(114.65)		15.60	
Other current assets	2.77		6.55	
Other non current assets	0.93		(1.53)	
Long-term loans and advances	(21.93)		(7.22)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	459.20		320.70	
Other current liabilities	143.06		138.36	
Other long-term liabilities	(3.17)		27.55	
Short-term provisions	(13.38)		(6.27)	
Long-term provisions	31.69	(708.72)	(9.73)	(93.50)
Cash generated from operations		**191.53**		**800.28**
Net income tax (paid) / refunds		(22.96)		(79.25)
Net cash flow from / (used in) operating activities (A)		**168.57**		**721.03**

Rs. In Lakhs

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances	(2,679.13)		(677.46)	
Proceeds from sale of fixed assets	22.21		185.37	
Security deposit received towards joint development of property	1,000.00		-	
(Increase)/Decrease in Short term bank deposits	16.47		23.19	
Interest Income received	61.80		11.66	
Dividend received	0.06		0.06	
Net cash flow from / (used in) investing activities (B)		**(1,578.59)**		**(457.18)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	1,160.38		177.26	
Repayment of long-term borrowings	(241.25)		(285.83)	
Net increase / (decrease) in working capital borrowings	1,084.77		290.71	
Proceeds /(repayment) from other short-term borrowings				
Finance Cost	(535.08)		(428.25)	
Dividends and tax thereon paid	(56.01)		(53.36)	
Net cash flow from / (used in) financing activities (C)		**1,412.81**		**(299.47)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**2.79**		**(35.62)**
Cash and cash equivalents at the beginning of the year		25.33		64.38
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		3.33		(3.43)
Cash and cash equivalents at the end of the year		**31.45**		**25.33**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Note 18		31.45		25.33

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

For and on behalf of the Board of Directors

S Ganesh
Partner

Capt. N S Mohanram
Director

Dr. Premchander
Director

C P Rangachar
Managing Director

Sridevi Chintada
Company Secretary

H M Narasinga Rao
Chief Financial Officer

Place: Bangalore
Date: 28th May, 2016

Consolidated Notes forming part of the financial statements for the year ended 31st March, 2016

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 as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

1.02 **II) Principles of Consolidation :**

The Consolidated financial statements comprise the financial statements of Yuken India Ltd (the Holding Company), 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:

a. The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.

b. 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 balances, intra-group transactions and resulting unrealized profits or losses.

c. 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.

d. 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'.

e. 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.

f. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate 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 in the preparation of consolidated financial statements:

Particulars	Country of Incorporation	Ownership Proportion	
		31.03.2016	31.03.2015
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	30%	30%
Kolben Hydraulics Limited	India	44%	44%

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 all charges bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable excise duty.

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 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
The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each 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 recognised 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 recognised for all timing differences. Deferred tax assets are recognised 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 realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise 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 deferred tax 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 recognised in reserves are recognised 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 31st March, 2016		As at 31st March, 2015	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised				
Equity shares of Rs.10 /- each (Previous year : 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 (Previous year : 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, 2016				
- Number of shares			3,000,000	3,000,000
- Amount (Rs. In Lakhs)			300.00	300.00
As at 31 March, 2015				
- 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 31st March, 2016		As at 31st March, 2015	
	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 31st March, 2016	As at 31st March, 2015
	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	596.08	592.08
Add : Additions during the year	-	4.00
Closing balance	**596.08**	**596.08**
(c) Surplus in Statement of Profit and Loss		
Opening balance	4,742.28	4,799.74
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 / (Loss) for the year	(200.48)	16.95
Add : Adjustment on account of consolidation for the year	-	-
Less : Dividends proposed to be distributed to equity shareholders	30.00	45.00
(Current Year: Rs.1.00 per share (Previous Year: Rs.1.50/- per share))		
Less : Tax on dividend	6.11	9.16
Less : Transferred to general reserve	-	4.00
Closing balance	**4,505.69**	**4,742.28**
Total	**5,143.10**	**5,379.69**

Note 5 Long-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	1,223.59	134.20
Total	**1,223.59**	**134.20**

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

(i).HDFC Bank Ltd Term Loan (a) First charge on the movable fixed assets of Malur Foundry Plant of the Holding Company located at Hedegabanahalli,Malur Taluk,Kolar district. (b) First Charge on the Factory Land and Building of the Malur Foundry Plant of the Holding Company located at Hedegabanahalli,Malur Taluk,Kolar district. (c) First Exclusive charge on assets financed by the term loan at Malur Foundry Plant of the Holding Company located at Hedgabanahalli,Malur Taluk,Kolar district (d) Exclusive Charge by way of Equitable mortgage on the Factory Land & Building at Koppathimmanahalli village,Malur Taluk,Kolar District. repayable in 18 quarterly installments at an interest rate of 10.10%

(ii)HDFC Bank Car Loan- Secured by Hypothecation of the car purchased from the Loan repayable in 48 equated monthly instalments at an interest rate of 13.80%.

Notes forming part of the Consolidated financial statements

Note 6 Other long-term liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Trade / Security deposits received	497.00	500.17
(b) Security Deposit received towards Joint Development of property	1,000.00	-
Total	**1,497.00**	**500.17**

Note 7 Long - term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
(a) Provision for gratuity (Refer Note 28)	25.69	21.83
(b) Provision for compensated absences (Refer Note 28)	194.97	162.64
(c) Others	-	4.50
Total	**220.66**	**188.97**

Note 8 Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) and (ii) below)	1,444.85	760.08
Unsecured	3,100.00	2,700.00
	4,544.85	**3,460.08**

Details of security for the secured short-term borrowings

(i) SBI Cash Credit a. Secured by pari-passu charge on inventory,receivables and other current assets of the Holding Company (both existing and future) and Equitable mortgage of Factory Land and Building at Doddanekkundi ,Bangalore and Factory Land and Building at Peenya,Bangalore and charge on unencumbered fixed assets of the Holding company . b.Hypothecation of Inventory, Receivables and other current assets of the Subsidiary Company-Coretec Engg and secured by equitable mortgage of Industrial shed located at B-59,Dyavasandra Industrial Estate,Mahadevapura, Whitefield road,Bangalore-560048 and Corporate guarantee of the Holding Company

(ii) HDFC Bank Limited Overdraft (a) First charge on the movable Fixed Assets of Malur Foundry plant of the Holding Company and First charge on Land and Building at Malur Foundry Plant of the Holding Company and Exclusive Charge on Plant & Machinery at Malur Foundry Plant of the Holding Company. (b) Secured by Hypothecation of Inventory,Receivables and charge on all Fixed Assets of the Subsidary Company- Yuflow Engg P ltd and Corporate Guarantee of the Holding company

Note 9 Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Trade payables:		
Total Outstanding Dues of Micro Enterprisesand Small Enterprises (Refer Note 27.2)	13.23	8.68
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	4,483.01	4,061.44
Total	**4,496.24**	**4,070.12**

Notes forming part of the Consolidated financial statements

Note 10 Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	62.16	232.41
(b) Interest accrued but not due on borrowings	13.42	4.79
(c) Unpaid dividends	5.34	7.19
(d) Other payables		
(i) Statutory remittances	238.88	148.04
(ii) Payables on purchase of fixed assets	24.19	61.34
(iii) Payable towards superannuation	103.40	94.34
(iv) Payable towards defined benefit obligations (Refer Note No 28)	90.40	66.27
(v) Interest accrued on trade payables	1.62	2.49
(vi) Advance from customers	131.67	132.02
(viii) Security deposits Received	5.87	9.95
(ix) Others	27.36	3.40
Total	**704.31**	**762.24**

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured	62.16	232.41
Total	**62.16**	**232.41**

Note 11 Short-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Provision for Employee Benefits		
(i) Provision for compensated absences	20.49	27.03
(b) Provision - Others		
(i) Provision for tax (Net of Advance tax of Rs 1550.62 Lakhs (as at 31st March 2015 Rs 1550.46 Lakhs)	129.76	112.68
(ii) Provision for proposed dividend	30.00	45.00
(iii) Provision for tax on Proposed dividends	6.11	9.16
(iv) Provison - others	-	6.84
Total	**186.36**	**200.71**

Notes forming part of the Consolidated financial statements

Note 12 Consolidated Fixed Assets

Rs in lakhs

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK	
	Balance as at 1st April, 2015	Additions	Disposals	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation/ Amortisation for the year	Elimination on Disposal of Assets	Adjustment to Opening Reserve	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets (a)											
Freehold Land (Refer Note below)	265.58	1,970.14	-	2,235.72	-	-	-	-	-	2,235.72	265.58
Buildings	1,738.24	12.49	(0.60)	1,751.33	307.22	49.24	2.44	-	354.02	1,397.31	1,431.02
Plant Machinery & Equipment	4,907.88	281.91	46.76	5,143.03	2,054.18	306.62	28.10	-	2,332.70	2,810.33	2,853.70
Electrical Installation	422.85	4.50	-	427.35	106.37	20.49	-	-	126.86	300.49	316.48
Furniture / Fixtures	155.33	3.27	3.00	155.60	102.67	11.25	2.08	-	111.84	43.76	52.66
Office Equipments	612.59	80.59	2.70	690.48	362.46	57.53	5.57	-	414.42	276.06	250.13
Jigs / Fixtures	527.59	36.86	-	564.45	327.54	25.84	-	-	353.38	211.07	200.05
Motor Vehicles	149.79	1.75	20.58	130.96	112.61	12.38	18.90	-	106.09	24.87	37.18
Total (a)	**8,779.85**	**2,391.51**	**72.44**	**11,098.92**	**3,373.05**	**483.35**	**57.09**	**-**	**3,799.31**	**7,299.61**	**5,406.80**
	(8,443.47)	(575.95)	(233.35)	(8,779.85)	(2,956.92)	(492.24)	(99.03)	(22.92)	(3,373.08)	(5,406.80)	(5,486.55)
Intangible Assets (b)											
Others:											
Software	245.40	-	(1.10)	246.50	186.58	22.81	(0.80)	-	210.19	36.31	58.82
Technical Fee	53.80	-	-	53.80	45.65	4.09	-	-	49.74	4.06	8.15
Total (b)	**299.20**	**-**	**(1.10)**	**300.30**	**232.23**	**26.90**	**(0.80)**	**-**	**259.93**	**40.37**	**66.97**
	294.57	4.63	-	299.20	205.64	26.59	-	-	232.23	66.97	88.93
Total (a) +(b)	**9,079.05**	**2,391.51**	**71.34**	**11,399.22**	**3,605.28**	**510.25**	**56.29**	**-**	**4,059.24**	**7,339.98**	**5,473.77**
	(8,738.04)	(574.36)	(233.35)	(9,079.05)	(3,162.56)	(518.83)	(99.03)	(22.92)	(3,605.31)	(5,473.77)	

Note 12 (c) Depreciation and amortisation expense:

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rs. In lakhs	Rs. In lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 (a)	483.35	(492.24)
Amortisation for the year on intangible assets as per Note 12 (b)	26.90	(26.59)
Total	**510.25**	**(518.83)**

Note: 1. Figures in brackets relates to previous year

2. The Holding Company executed Joint Development Agreement with Brigade Enterprises Ltd for development of Company's property situated at Whitefield, Bangalore on 3rd February, 2016.

Notes forming part of the Consolidated financial statements

Note 13 Non-current investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Investments - :		
A.Trade		
a) Investment in equity shares of Associates		
360,000 (As at 31.03.2015 : 360,000) Fully paid equity shares of Rs 10/- each of Sai India Ltd	320.72	336.79
437,200 (As at 31.03.2015 : 437,100) Fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd	13.00	12.77
	333.72	**349.56**
b) Investment in equity shares of others		
941,330 (As at 31.03.2015 : 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)	**427.85**	**443.69**
B.Other investments		
a) Investment in equity shares of Associates		
37,300 (As at 31.03.2015: 37,300) Fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd.	6.32	5.08
	6.32	**5.08**
b) Investment in equity shares of others		
2,000 (As at 31.03.2015 : 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)	**6.82**	**5.58**
Total (A+B)	**434.67**	**449.27**
Aggregate amount of unquoted investments	**434.67**	**449.27**

Note 14 Long-term loans and advances

Unsecured, considered good		
Particulars	**As at 31st March, 2016**	**As at 31st March, 2015**
	Rs. in lakhs	**Rs. in lakhs**
(a) Capital advances	36.46	131.54
(b) Security deposits	146.76	134.60
(c) Loans and advances to employees	6.08	4.99
(d) Advance Tax (net of provision for Income tax Rs 1085.82 Lakhs (as at 31st March 2015, Rs 1078.22 Lakhs)	228.53	225.52
(d) Prepaid expenses	9.78	1.10
(e) Other loans and advances	1.41	1.41
Total	**429.02**	**499.16**

Notes forming part of the Consolidated financial statements

Note 15 Other non-current assets

Unsecured, considered good

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Others		
Balance held in margin money account (Refer note (i) below)	3.49	4.42
Total	**3.49**	**4.42**
(i) Balance with banks in margin money accounts are under lien.		

Note 16 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,783.12	1,623.17
(b) Goods-in-transit - rawmaterial	23.77	17.78
(c) Work-in-progress	713.92	643.47
(d) Finished goods (other than those acquired for trading)	675.79	559.75
(e) Stock-in-trade	119.75	5.18
(f) Loose tools	128.23	94.86
Total	**3,444.58**	**2,944.21**

Note 17 Trade receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	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	588.69	459.09
Doubtful	180.68	131.93
	769.37	591.02
Less: Provision for doubtful trade receivables	180.68	131.93
	588.69	**459.09**
Other trade receivables		
Unsecured, considered good	5,390.61	4,917.86
	5,390.61	**4,917.86**
Total	**5,979.30**	**5,376.95**

Notes forming part of the Consolidated financial statements

Note 18 Cash and bank balances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Cash and cash equivalents		
(a) Cash on hand	8.31	4.86
(b) Balances with banks		
In current accounts	19.96	14.47
In EEFC accounts	3.18	6.00
In earmarked accounts		
- In deposit accounts	-	-
	31.45	**25.33**
Other bank balances		
- Unpaid dividend accounts	5.18	7.19
- In deposit accounts	25.13	39.59
	30.31	**46.78**
Total	**61.76**	**72.11**

Note 19 Short-term loans and advances

Unsecured considered good unless otherwise stated

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Advance to related parties	0.04	13.91
(b) Security deposits	21.87	12.67
(c) Loans and advances to employees	6.48	12.60
(d) Prepaid expenses	109.01	37.74
(e) Balance with government authorities		
CENVAT credit receivable	106.96	79.26
VAT credit receivable	22.87	37.09
Service tax credit receivable	43.83	3.23
(f) MAT credit entitlement	108.75	92.10
(g) Advance to suppliers	192.98	191.07
(h) Others	14.48	16.30
Total	**627.27**	**495.97**

Note 20 Other current assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	3.24	4.29
Other receivables	50.00	51.81
Duty drawback receivable	7.91	8.87
Rent receivable	8.44	8.44
	-	
Total	**69.59**	**73.41**

Notes forming part of the Consolidated financial statements

Note 21 Revenue from operations

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Sale of products	22,079.44	20,475.65
(b)	Less : Excise duty	2,302.71	1,987.98
		19,776.73	18,487.67
(c)	Other operating revenues (Refer Note (i) below)	126.56	141.10
	Total	**19,903.29**	**18,628.77**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(i)	**Other operating revenue comprises :**		
	Training and other services rendered	115.97	113.81
	Duty drawback	10.59	13.18
	Export Incentive received	-	1.58
	Income from generation of power	-	12.53
	Total	**126.56**	**141.10**

Note 22 Other income

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income (Refer Note (i) below)	60.74	46.49
(b)	Dividend from long term Investment - others	0.06	0.06
(c)	Other non-operating income (Refer Note (ii) below)	46.86	170.05
	Total	**107.66**	**216.60**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(i)	**Interest income comprises:**		
	a) on deposits with banks	2.06	8.08
	b) on overdue trade receivables	49.29	32.59
	c) on others	9.39	5.82
	Total	**60.74**	**46.49**

Notes forming part of the Consolidated financial statements

(ii)	**Other non-operating income comprises:**		
	a) Liabilities/ provisions no longer required written back	15.85	36.13
	b) Dividend Income	-	-
	c) Profit on sale of fixed assets (net)	6.41	101.83
	d) Insurance claim received	0.21	-
	e) Miscellaneous income	24.39	32.09
	Total	**46.86**	**170.05**
	Total	**107.60**	**216.54**

Note 23.a Cost of materials consumed

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Opening stock	1,655.84	1,419.49
(b)	Add : Purchases	9,160.99	9,222.99
		10,816.83	**10,642.48**
(c)	Less : Closing stock	1,848.22	1,655.84
	Total	**8,968.61**	**8,986.64**

Note 23.b Purchases of stock-in-trade

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
	Cartridges	26.67	13.00
	Other Items	675.21	2.91
	Total	**701.88**	**15.91**

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

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
	Inventories at the end of the year:		
(a)	Finished goods	586.52	490.10
(b)	Work-in-progress	738.32	648.11
(c)	Stock-in-trade	119.75	5.18
		1,444.59	**1,143.39**
	Inventories at the beginning of the year:		
(a)	Finished goods	490.09	330.80
(b)	Work-in-progress	648.11	818.47
(c)	Stock-in-trade	5.18	18.81
		1,143.38	**1,168.08**
	Net (increase) / decrease	**(301.21)**	**24.69**

Notes forming part of the Consolidated financial statements

Note 24 Employee benefits expense

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Salaries and wages	3,211.41	2,907.56
(b)	Contributions to provident and other funds	292.40	289.88
(c)	Staff welfare expenses	196.88	196.13
	Total	**3,700.69**	**3,393.57**

Note 25 Finance costs

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest on borrowings	536.55	440.73
(b)	Interest on dealers deposits and others	0.98	16.49
(c)	Other borrowing cost	5.31	0.68
	Total	**542.84**	**457.90**

Note 26 Other expenses

Sl. No.	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		Rs. In Lakhs	Rs. In Lakhs
(a)	Consumption of stores and spare parts	514.10	433.64
(b)	Tools consumed	92.27	124.82
(c)	Consumption of packing materials	252.13	240.96
(d)	Increase / (decrease) of excise duty on inventory	23.75	27.68
(e)	Subcontracting	1,496.03	1,366.73
(f)	Power and fuel	829.46	717.40
(g)	Rent including lease rentals (Refer Note 31)	170.52	152.53
(h)	Repairs and maintenance - Buildings	37.39	48.98
(i)	Repairs and maintenance - Machinery	372.16	290.51
(j)	Repairs and maintenance - Others	20.32	24.99
(k)	Vehicle maintenance	102.82	98.21
(l)	Insurance	13.63	15.67
(m)	Rates and taxes	92.60	67.81
(n)	Travelling and conveyance	462.09	420.37
(o)	Freight and forwarding	308.50	316.73
(p)	Donations and contributions	-	0.60
(q)	Legal and professional charges	368.45	303.70
(r)	Payments to auditors (Refer Note (i) below)	21.20	20.15

Notes forming part of the Consolidated financial statements

(s)	Bad trade and other receivables written off	42.33	37.89
(t)	Net loss on foreign currency transactions and translation (other than considered as finance costs)	78.03	41.03
(u)	Provision for doubtful trade receivables (net) (Note: Rs.21.99 Lakhs (For year ended 31st March 2015- Rs 13.86 Lakhs) amount released.)	48.75	23.57
(v)	Miscellaneous expenses	681.64	628.62
	Total	**6,028.17**	**5,402.59**

Note	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
		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	14.25	11.25
	b) For taxation matters	2.00	2.00
	c) For company law matters	0.75	0.75
	d) Reimbursement of expenses	1.37	3.24
		18.37	**17.24**
	(b) Subsidiary Companies		
	a) For statutory audit	1.75	1.75
	b) For Taxation Matters	0.75	0.81
	c) For other services	-	0.04
	d) Reimbursement of expenses	0.33	0.31
		2.83	**2.91**
	Total	**21.20**	**20.15**

Note 27 Additional information to the financial statements **Rs. in lakhs**

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Rs In lakhs	Rs In lakhs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	**Contingent liabilities**		
	(a) Disputed income tax liabilities	131.12	-
(ii)	**Commitments**		
	(b) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	221.39	41.41

Notes forming part of the Consolidated financial statements

27.2	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	Particulars	**As at 31st March, 2016**	**As at 31st March, 2015**
		Rs In lakhs	**Rs In lakhs**
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	13.23	8.68
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.65	1.44
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1.84	7.00
	(iv) The amount of interest due and payable for the year	0.98	1.05
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.63	2.49
	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.		

27.3 (i) Outstanding forward exchange contracts entered into by the Company as at 31 March, 2016

	Currency	**Amount in Lakhs**	**Buy / Sell**	**Cross currency**
	USD	2.00	Buy	Nil
	USD	(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 31st March, 2016		**As at 31st March, 2015**	
		Rs. In lakhs	**Foreign currency (In Lakhs)**	**Rs. In lakhs**	**Foreign currency (In Lakhs)**
	Trade receivables				
		107.87	USD 1.62	129.32	USD 2.06
		99.12	EUR 1.33	32.51	EUR 0.48
		1.50	JPY 2.56	8.81	JPY16.90
	Trade payables				
		978.67	USD 14.70	1252.01	USD 20.03
		1.01	EUR 0.01	69.97	EUR 1.04
		2.39	JPY 4.07	2.60	JPY 5.00
	EEFC balances				
		1.77	EUR 0.02	0.95	EUR 0.01
		1.41	USD 0.02	5.05	USD 0.08

Notes forming part of the Consolidated financial statements

Note 28 Disclosures under Accounting Standards

Employee benefit plans

28.1 Defined contribution plan

The Group makes provident fund and superannuation fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 124.46 lakhs (Year ended 31 March, 2015 Rs.136.38 lakhs) for provident fund contributions and Rs. 105.92 lakhs (Year ended 31 March, 2015 Rs.95.76 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

28.2 Defined benefit plans

The Group 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, 2016	31st March, 2015
Components of employer expense		
Current service cost	28.93	22.95
Interest cost	21.69	21.90
Expected return on plan assets	(16.65)	(14.96)
Actuarial losses/(gains)	11.60	35.49
Total expense recognised in the Statement of Profit and Loss	**45.57**	**65.38**
Actual contribution and benefit payments for year		
Actual benefit payments	16.36	37.92
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligations	(329.87)	(288.78)
Fair value of plan assets	223.73	207.68
Funded status [Surplus / (Deficit)]	(106.14)	(81.10)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(106.14)**	**(81.10)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	288.25	246.69
Current service cost	28.93	22.95
Interest cost	21.69	21.90
Actuarial (gains) / losses	7.36	35.16
Benefits paid	(16.36)	(37.92)
Present value of DBO at the end of the year	**329.87**	**288.78**

Notes forming part of the Consolidated financial statements

	Change in fair value of assets during the year					
	Plan assets at the beginning of the year				207.68	188.46
	Expected return on plan assets				16.65	14.96
	Actual company contributions				20.00	42.51
	Actuarial gains / (loses)				(4.80)	(0.33)
	Benefits paid				(16.36)	(37.92)
	Plan assets at the end of the year				**223.17**	**207.68**
	Actual return on plan assets				11.60	14.63
	Composition of the plan assets is as follows:					
	Others- Insurer managed funds				100%	100%
	Actuarial assumptions					
	Discount rate				7.9% - 7.7%	7.9% - 8%
	Expected return on plan assets				8.00%	8.00%
	Salary escalation				5% - 10%	5% - 7%
	Attrition				2% - 11.4%	2.00%
	The Company is estimated to contribute Rs.90.96 lakhs (previous year Rs. 82.27 lakhs) towards gratuity funds during the next year.					
	Experience adjustments					
	Gratuity	**31st March, 2016**	**31st March, 2015**	**31st March, 2014**	**31st March, 2013**	**31st March, 2012**
	Present value of defined benefit obligations	(329.87)	(288.78)	(246.70)	(202.35)	(184.88)
	Fair value of plan assets	223.17	207.68	188.46	180.45	176.82
	Funded status [Surplus / (Deficit)]	(106.70)	(81.10)	(58.24)	(21.90)	(8.06)
	Experience gain / (loss) adjustments on plan liabilities	7.36	10.65	21.55	5.74	1.04
	Experience gain / (loss) adjustments on plan assets	(4.24)	(0.33)	1.36	4.88	(8.55)
	The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.					
	Compensated absences					
					Year ended 31st March, 2016	**Year ended 31st March, 2015**
	Charge in the Statement of Profit and Loss				48.61	24.45
	Liability as at the year end				213.53	188.13
	Actuarial assumptions					
	Discount rate				7.90%	7.90%
	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 subsidiary, Coretec Engineering India Private Limited since the subsidiary has opted for the exemption provided under the mandatory accounting standard AS-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.					

Notes forming part of the Consolidated financial statements

Note 29 Disclosures under Accounting Standards (contd.)

Note	Particulars
29.1	**Segment information**
	The Group 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.

Rs. Lakhs

29.2	Particulars	Hydraulic business	Other business	Eliminations	Unallocated	Total
	Revenue from operations	18,896.09	3,417.58	(2,528.85)		19,784.82
		(16,404.15)	(2,874.52)	(791.00)		(18,487.67)
	Operating Income	96.80	21.67			118.47
		(103.78)	(37.32)			(141.10)
		18,992.89	3,439.25	(2,528.85)		19,903.29
		(16,507.93)	(2,911.84)	(791.00)		(18,628.77)
	Segment result before interest, other income and taxes	2,460.21	(805.98)	-	(1,359.33)	294.90
		(2,275.00)	(-673.00)	-	(-1352.66)	(249.34)
	Add:Other income	11.01	5.94	-	90.71	107.66
		(60.00)	(4.00)		(152.60)	(216.60)
	Less: Finance costs	-	-	-	542.84	542.84
					(457.90)	(457.90)
	Profit/(Loss)before taxes	-	-	-	-	(140.28)
						(-8.04)
	Taxes	-	-	-	-	46.38
						(-8.90)
	Earnings of Asscociates					(13.82)
						(-37.20)
	Profit/(Loss) after taxes	-	-	-	-	(200.48)
						(16.94)

29.3	Other information				
	Particulars	Hydraulicbusiness	Other business	Unallocated	Total
	Segment assets	11,399.87	3,892.90	3,150.98	18,443.75
		(11,143.91)	(3,879.72)	(692.91)	(15,716.54)
	Segment liabilities	5,176.97	802.87	6,763.41	12,743.25
		(5,040.61)	(935.29)	(3,575.05)	(9,550.95)
	Capital expenditure	147.94	248.01	2,341.11	2,737.06
		(207.97)	(328.51)	(33.77)	(570.25)
	Depreciation	268.45	198.11	43.69	510.25
		(318.83)	(163.00)	(37.00)	(518.83)

Notes:

1.Segmentwise bifurcation of Assets & Liabilities for Hydraulic Business and Other Business are shown to the extent identifiable,other assets and liabilities jointly used by all segments are shown as unallocated.

2.Figures in brackets relate to previous year

Notes forming part of the Consolidated financial statements

Note 30 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 2. Madhuri Rangachar

Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016

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.	-	-	-	1,797.97	1,797.97
	-	-	-	(1,803.91)	(1,803.91)
Sai India Ltd.	14.80	-	-	-	14.80
	(20.20)	-	-	-	(20.20)
Kolben Hydraulics Ltd.	41.37	-	-	-	41.37
	(51.48)	-	-	-	(51.48)
Bourton Consulting (India) Pvt Ltd.	13.18	-	-	-	13.18
	(3.03)	-	-	-	(3.03)

Rs in lakhs

Particulars	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Sale of goods and services					
Yuken Kogyo Co Ltd.	-	-	-	25.56	25.56
	-	-	-	(21.63)	(21.63)
Kolben Hydraulics Ltd.	3.74	-	-	-	3.74
	(1.09)	-	-	-	(1.09)
Sai India Ltd.	67.49	-	-	-	67.49
	(28.92)	-	-	-	(28.92)

Notes forming part of the Consolidated financial statements

Rs In lakhs

Particulars	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
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	-	55.32	-	-	55.32
	-	(52.84)	-	-	(52.84)
Mr. S K Naik	-	1.00	-	-	1.00
	-	(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)
Amount outstanding (Receivables)					
Yuken Kogyo Co Ltd.	-	-	-	5.36	5.36
	-	-	-	(11.78)	(11.78)
Sai India Ltd.	38.06	-	-	-	38.06
	(28.69)	-	-	-	(28.69)
Kolben Hydraulics Ltd.	13.70	-	-	-	13.70
	(16.18)	-	-	-	(16.18)
Amount oustanding (Payables)					
Yuken Kogyo Co Ltd.	-	-	-	826.56	826.56
	-	-	-	(1,096.05)	(1,096.05)
Sai India Ltd.	10.75	-	-	-	10.75
	(20.20)	-	-	-	(20.20)
Kolben Hydraulics Ltd.	5.65	-	-	-	5.65
	(4.62)	-	-	-	(4.62)
Bourton Consulting (India) Pvt Ltd.	0.31				0.31
	-				-
Directors remuneration (Payable)					
Mr C P Rangachar	-	6.34	-	-	6.34
	-	(4.52)	-	-	(4.52)

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

31 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. 170.52 Lakhs (Rs.152.53 Lakhs) which has been grouped under 'Rent' under note 26. There are no contingent rents payable.

32 Earnings per share

Basic and diluted

Net profit for the year from operations attributable to the equity shareholders	(200.48)	16.94
Weighted average number of equity shares- in lakhs	30.00	30.00
Par value per share-in Rs.	10.00	10.00
Earnings per share from Operations - Basic and diluted in Rs.	(6.68)	0.57

33 (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 (the 'ACT'). Further, MAT credit is recognised under section 115JAA of the said Act, which is disclosed as MAT credit entitlement in the Statement of Profit and Loss.

(b)Deferred tax (liability) / asset

Rs in lakhs

Particulars	**As at 31st March, 2016**	**As at 31st March, 2015**
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	625.14	603.19
Adjustment on account of depreciation adjustment in Reserves and surplus	(6.68)	(6.68)
Tax effect of items constituting deferred tax liability	618.46	596.51
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	97.70	81.28
Provision for doubtful trade receivables	55.83	35.54
Unabsorbed depreciation	-	40.77
Tax effect of items constituting deferred tax assets	(153.53)	(157.59)
Net deferred tax liability / (asset)	**464.93**	**438.92**

34 During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Group has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group 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.14.95 lakhs (net of deferred tax of Rs. 6.68 lakhs) against the opening Surplus balance in the Statement of Profit and Loss of previous year under Reserves and Surplus. The depreciation expense in the Statement of Profit and loss for the previous year is higher by Rs. 17.28 lakhs consequent to the change in the useful life of the assets.

Notes forming part of the Consolidated financial statements

35	**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 total liabilities		Share of profit or loss	
		As % of consolidated net assets	Amount Rs. in lakhs	As % of consolidated profit or loss	Amount Rs. in lakhs
	Yuken India Limited	99%	5373.69	-707%	1417.27
	Subsidiaries				
	1 Yuflow Engineering Pvt Ltd.	1%	(40.20)	485%	(973.19)
	2 Coretec Engineering India Pvt Ltd.	1%	29.21	315%	(630.74)
	Associates (Investment as per the equity method)				
	1 Sai India Ltd.	NA	NA	8%	(15.32)
	2 Bourton Consulting (India) Pvt Ltd.	NA	NA	-1%	1.28
	3 Kolben Hydraulics Ltd.	NA	NA	0%	0.22
	Total	**100%**	**5,443.10**	**100%**	**(200.48)**

36	**Details of equity accounted in associates are as follows:**				**Rs. in lakhs**
	Name of the Company	**Original Cost of Investment**	**Goodwill/ (Capital Reserve)**	**Accumulated Profit/ (Loss) as at 31.03.2016**	**Carrying amount of Investment at 31.03.2016**
	Sai India Ltd	20.00	(20.60)	300.72	320.72
	(Previous Year)	20.00	(20.60)	316.79	336.79
	Kolben Hydraulics Ltd	43.71	19.42	(11.29)	13.00
	(Previous Year)	43.71	19.42	(11.52)	12.77
	Bourton Consulting (India) Pvt Ltd	3.73	-	2.59	6.32
	(Previous Year)	3.73	-	1.35	5.08
	Total	**67.44**	**(1.18)**	**292.02**	**340.04**
	Previous Year	**67.44**	**(1.18)**	**306.62**	**354.64**

37	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 37
For and on behalf of the Board of Directors

C P Rangachar
Managing Director

Capt. N S Mohanram
Director

Dr. Premchander
Director

H M Narasinga Rao
Chief Financial Officer

Sridevi Chintada
Company Secretary

Place: Bangalore
Date: 28th May 2016

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 : 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore – 560048.

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 40th Annual General Meeting of the Company, to be held on the 21st day of September, 2016 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, 2016
2	Declaration of dividend on equity shares
3	Appointment of a Director in place of Mr. Shiro Hattori, 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

Signed this……..… day of…….…… 2016

Affix Revenue Stamp of Re.1

Signature of shareholder

Signature of Proxy holder(s)

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.

YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

Registered Office: No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore - 560 048.
[E mail Id: hmn_rao@yukenindia.com]
[Website: **www.yukenindia.com**] [**Tel No:** 080 – 2845 3810] [**Fax No:** 080 – 2845 3810]

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 40th Annual General Meeting of the company held on 21st September 2016 at 10:00 A.M. at Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore-560 025.

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

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Vani Vilas Road, Basavanagudi
BENGALURU - 560 004
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