YUKEN INDIA LIMITED
An ISO 9001:2015 Company
Manufacturers of Oil Hydraulic Equipment
IN COLLABORATION WITH YUKEN KOGYO CO. LTD., JAPAN.
CIN: L29150KA1976PLC003017

Regd. Office:	No. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bengaluru – 560 048.	Factory:	PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District – 563 130.
Phone	+91- 9731610341	Phone:	+91 9845191995
Our Ref No:	YIL/Sec/2021	E-mail:	hmn_rao@yukenindia.com
Date:	21st August, 2021	Web:	www.yukenindia.com

To, **BSE Script Code: 522108**
The General Manager,
Listing Compliance & Legal Regulatory,
BSE Limited, PJ Towers, Dalal Street,
Mumbai – 400001.

Dear Sir/Madam,

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 Limited for the financial year 2020-21.

The copy of the Annual Report is also available on the website of the Company viz., https://www.yukenindia.com/ under Investor Section – Financial Statement-*Annual Report: 2020-2021* or also access https://www.yukenindia.com/report-result/

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For Yuken India Limited

VINAYAK SHRIDHAR HEGDE
Digitally signed by VINAYAK SHRIDHAR HEGDE
Date: 2021.08.21 09:23:26 +05'30'

Vinayak Hegde
Company Secretary & Compliance officer

Broadbased

Yukon India Limited | Annual Report 2020-21

Forward-looking statement

This document contains statements about expected future events and financial and operating results of Yuken India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the annual report.

Contents

Corporate Information

Board of Directors

Mr. Hidemi Yasuki, Chairman
Mr. Hideharu Nagahisa
Mr. Kenichi Takaku,
Capt. N S Mohanram
Mr. R Srinivasan
Dr. Premchander
Mrs. Indra Prem Menon – (Lady Independent Director w.e.f 24.09.2020)
Mrs. Vidya Rangachar
Mr. C P Rangachar, Managing Director

Chief Financial Officer

Mr. H M Narasinga Rao

Company Secretary

Mr. Vinayak Hegde

Bankers

State Bank of India.
HDFC Bank Ltd.
MUFG Bank Ltd.
Mizuho Bank Ltd.
Sumitomo Mitsui Banking Corporation

Auditors

M/s. Walker Chandiok and Co., LLP
Chartered Accountants

Registered office

No. 16-C, Doddanekundi Industrial Area,
II Phase, Mahadevapura,
Bengaluru, Karnataka – 560 048.

Corporate office & Main plant

P B No. 5, Koppathimmanahalli Village,
Malur-Hosur Main Road, Malur Taluk, Kolar District,
Karnataka – 563 130

Registrar & Transfer Agent

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited),
Unit: Yuken India Limited
Karvy Selenium Tower-B, Plot Nos. 31 & 32, Financial District, Gachibowli,
Nanakramguda, Serilingampally, Hyderabad- 500 008.
Phone: (040) 6716 1508/1592/1509
Toll Free no.: -1- 800-309-4001
E Mail Id: Einward.ris@karvy.com
Website: www.kfintech.com https://ris.kfintech.com/

Broadbased

At Yuken India Limited, we responded proactively to a transforming world in 2020.

Yuken embarked on broad-basing its business model, among other initiatives.

By addressing the needs of customers from a wider range of sectors, we are laying the foundation of a stronger company.

This broad-basing is empowering us by leveraging a rich pool of engineering capabilities, addressing a wider range of sectors relevant to a growing economy and enhancing value for our domestic eco-system.

Besides, this broad-basing is in line with the country's Atmanirbhar Bharat resolve to enhance self-reliance, accelerate industrialization, build a stronger domestic eco-system and enhance livelihoods.

We believe that this broad-basing will empower us to grow faster and more sustainably, strengthening our respect as a dependable solutions provider.

CORPORATE SNAPSHOT

Yuken India Limited.

Possesses rich engineering experience.

Provides System Design support across the machine tool, plastic, power, steel, defence and infrastructure sectors.

Manufactures international quality products, delivered with speed and a high domestic proportion of components.

Enhances value for the company, customers and country.

Our track record, helping strengthen our foundation

The company was founded in 1976 in technical and financial collaboration with Yuken Kogyo Company Limited, Japan (YKC), global leaders in oil hydraulic equipment.

Our capacities have enhanced our preparedness

Headquartered in Bengaluru, the company possesses four state-of the-art manufacturing facilities across India in Bengaluru, Malur (Karnataka), Mumbai and Haryana.

Location	Number of plants	Products
Bengaluru	3	Pumps & Valves Components, Precision Ground Spools, Power-Packs, Solenoid Coils and Iron Cores
Malur, Karnataka	5	Pumps, Valves and Power Packs, Hydraulics Manifold Assemblies, Chip Compacting Machines, Castings, Cylinders and Electric Motors.
Mumbai	1	Power Packs
Bahadurgarh, Haryana	1	Power Packs

Listing

The equity shares of the Company are listed on Bombay Stock Exchange where they are traded actively. The company's market capitalisation stood at ₹551.82 crore as on 31st March, 2021.

Our quality products have strengthened our recall

The Company manufactures hydraulic components like pumps, valves, cylinders and package system. The Company possesses precision manufacturing technologies, modern equipment and robust quality systems to address the emerging needs of various industrial and mobile sectors.

Our credit rating

The company's credit rating was revised from CARE BBB outlook Negative to CARE BBB- minus outlook Stable in FY 2020-21 for long-term bank facilities.

Our widening distribution network has enhanced product accessibility

The Company's extensive distribution network is spread across the country, comprising more than 58 channel partners. The Company exports products to more than 16 countries.

Our quality is driven by an ingrained Culture

The company strives to meet customer's expectations by providing world-class hydraulic products, components, castings and services through total employee commitment and continual improvement. The company has been accredited with ISO 9001:2015.

Our longstanding clients have validated our quality

The Company addresses the demanding needs of prominent clients like SAIL, LMW Group, NTPC, TATA Steel, JSW Steel , Honda, Maruti Suzuki,Toyota, Mahindra, Bajaj, TATA Hitachi, Ajax, JCB, BEML and Terex, among many others.

Our focused subsidiaries and associates have helped enhance our business capability

The Company comprises four focused subsidiaries and two associates.

Our four subsidiaries:

Grotek Enterprises Private Limited (manufactures precision ferrous castings),

Coretec Engineering India Private Limited (manufactures hydraulic cylinders, accumulators, solenoids, precision ground spools, and tooling for the foundry),

Kolben Hydraulics Limited (manufactures hydraulic products for mobile applications in collaboration with global leaders in this segment)

Yuflow Engineering Private Limited (manufactures Electric Motors and Manifolds).

Our two associates:

SAI India Limited (manufactures hydraulic motors in collaboration with SAI s.p.a-Italy)

Bourton Consulting (India) Private Limited (engaged in Lean manufacturing consulting).

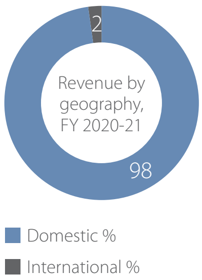
Our experienced management helps us in providing strategic direction and ensures growth

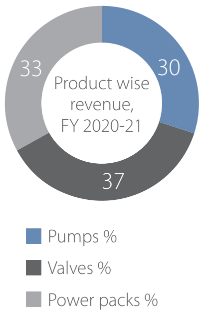
The Company's business is steered by the able leadership and experience of Mr. C P Rangachar, Managing Director, under the guidance of the Board of Directors. The Board is supported by a strong team of experienced professionals and skilled workers at the Company's manufacturing facilities. The strength of the Yuken team stood at 440 as on 31st March, 2021.

Products overview

The company manufactures a variety and types of products, which find application in multiple industrial sectors. Over the years, the Company has been enjoying a large clientele across 30-plus sectors.

Product	Pumps	Valves	Others
Types	Vane pumps Piston pumps Gear pumps	Pressure control valves Direction control valves Mobile valves Flow control valves Modular valves Cartridge valves Proportional valves	Hydraulic power units (Power packs) Cylinders Motors Actuators Accumulators Chip compacting machines (Kiriko) Filters Accessories Hydraulic manifold assemblies Servo Systems Hydraulic motors Flow dividers
Performance	Revenue share: 30%	Revenue share: 37%	Revenue share: 33%
Application segments	Plastic Machineries, Machine Tools, Power, Steel, Construction Equipment, Automotive, Presses, Railways, Material Handling, Drill Rigs, Rubber, Paper, Cement, Mines, Marine, Defence, and Agriculture etc.		





90000 (number) Pumps

780000 (number) Valves

20000 (number) Power packs

13000 (tonnes) Foundry

Chairman's message

Dear shareholders,

If there is one lesson that the ongoing pandemic has taught the world, then it is 'How fast and how much can you change?'

The pandemic came upon the world with a speed that made it impossible to take precautionary action. The new priorities are hygiene, safe practices and increased health care spending.

At the business level, there is a greater need for de-risking; with companies seeking lower debt, as well as broadbased products and markets, de-risking could protect them in a downturn.

At the national level, there is a greater recognition of the need for self-reliance, with a marked demand for products manufactured in India. We already see a growing need from a number of market sectors.

The world over, businesses are seeking to broad-base their global supply chain and avoid an excessive dependence on one country.

India can emerge as a large beneficiary.

Your company has been in business for nearly five decades, with a wide presence in the market and rich sectoral experience.

Your company is focused primarily on its domestic business, with a niche presence in the international market. Over 75% of the company's raw materials are sourced from local vendors and suppliers, considerably higher than most peers.

Your company has adopted the best of Japanese practises, blended with its deep Indian ethos.

Responding to the pandemic, the company broadbased the sectors addressed by its products, optimized its resources and moderated costs. The Company became more nimble, competitive and profitable.

I am pleased that the effects of the transformation were evident in the financials. The company recovered from a first quarter that was hit by the lockdown to a decent performance in the fourth quarter.

The manner in which the company rebounded provides confidence that we will remain viable during a downtrend and enhance value for our stakeholders in a secure and sustainable way.

Hidemi Yasuki,
Chairman

Managing Director's review

Dear shareholders,

Overview

The FY 2020-21 was the most challenging we have seen in decades.

This single year presented challenges of people vulnerability, revenue uncertainty, customer attrition, logistical disruption and declining economy.

As a company that manufactures products for use in core sectors, our performance was affected in the first two quarters of the last financial year by a marked decline in revenues and margins.

To counter the pandemic, we optimized factors within our control and moderated our break-even point to survive, without impairing our Balance Sheet. We started addressing opportunities of the future.

Protecting our human capital

From the last week of March 2020, the Government mandated a total shutdown of operations.

As the pandemic spread, the priority was to protect our people.

The managerial staff was asked to work from home. When manufacturing was permitted to resume, the company implemented a safe operating protocol covering checking, masks, sanitisation, social distancing, safe commute and pandemic- appropriate behaviour. The company made it safe for its workers and staff to work in the factory.

Optimising our resources

We recognized that in an uncertain environment, with little hope of an early recovery, the best course would be to look within.

The company optimized overheads; it enhanced people productivity; it engaged deeper with its vendors, lowered logistical costs and leveraged its rich knowledge pool to develop products for a new range of customers and applications.

The result is that the company became lighter (cost reduction), nimbler (faster deliveries) and broadbased (extension into other sectors). We virtually reinvented our company.

Enhanced relevance

From last year, there is a national movement towards self-reliance (the essence of the Atmanirbhar Bharat programme). This was further enhanced on account of a logistical disruptions in imports.

These realities only deepened the relevance of Yuken's business model. Over the years, the company had emphasized the importance of manufacturing products (as opposed to trading) and sourcing components from a proximate vendor eco-system.

This focus, over the years, was of immense benefit as imports lagged.

Our business model, with a high indigenous content, is becoming increasingly relevant.

This also helps customers with quicker delivery and predictability, apart from a superior price-value proposition for them.

Performance

Yuken's business recovered during the second half of the last financial year.

The Indian government embarked on completing various unfinished infrastructure projects, which boosted demand from the country's defence, construction and power sectors.

The MGNREGA programme increased rural earnings that translated into a stronger offtake for tractors and farm equipment. The accelerated construction of roads that protect our borders needed road construction machinery.

All these led to an increased demand for hydraulics.

The highlight of the company's performance was the last quarter of the year. The quarter's sales accounted for 41 per cent of the revenues for the year. Revenues were 27 per cent higher than the preceding quarter and 74 per cent higher than the corresponding quarter of the previous year. The company reported its highest EBIDTA margin of 20% and a profit after tax of ₹10.68 crore.

Confidence

We are confident about our long-term prospects. Investment in major sectors of the economy translates into a growing demand for our customers.

The Indian government is committed to spend more on infrastructure and defence.

Besides, much of the capital spending on projects will be sourced locally, benefitting your Company.

Your Company's joint venture, with Brigade Enterprises Limited to develop surplus land, received a good customer response. We sold 94% of the apartments and received ₹69.41 crores as our share of the proceeds up to 31st March, 2021. We expect the project will be completed by June 2022.

We believe that the complement of these factors will empower us to enhance value for all our stakeholders in a sustainable way.

C P Rangachar
Managing Director

Our competitive advantage

- Quality-driven brand
- Financial robustness
- Cutting-edge technologies
- Leading sectoral presence
- Quicker service
- Longstanding customer engagements
- Extensive distribution network
- Quality focus
- Component localization
- Governance commitment
- International presence

Our Atmanirbhar Bharat focus

90+

Percent of our revenues derived from products manufactured in domestic facilities

How Yuken is competently placed to capitalise

1. Collaborated with eight global companies for technology access across products
2. Comprehensive range of hydraulic products – single-stop solution manufactured locally
3. Infrastructure and construction equipment companies looking for domestic manufactured components
4. Large Pan-India network of offices, dealers and service providers
5. Investment in Research & Development (R&D) for new product developments and local manufacturing
6. Backward integration and collaboration with several SMEs for manufacturing

At Yuken, our transformation was increasingly visible across every successive quarter of a challenging FY 2020-21

The financial health of our business, FY 2020-21

	Quarter one	Quarter two	Quarter three	Quarter four
REVENUES (₹ crore)	14.67	45.30	69.76	93.75
EBITDA (₹ crore)	(7.28)	4.01	9.34	18.50
PROFIT BEFORE TAX (₹ crore)	(11.63)	(0.58)	4.32	13.63
PROFIT AFTER TAX (₹ crore)	(8.69)	(0.13)	3.10	10.68

Following the challenging first quarter of the last financial year, marked by a lockdown and disrupted logistics, Yuken worked closer with customers and its supply chain. The result was that the company's order book and performance strengthened quarter-on-quarter, strengthening the company's outlook.

YUKEN

How Yuken indirectly touches our everyday lives

Waking up at home

Built with cement

Building material prepared by transit mixers

Driven by Yuken India's hydraulic package

Switch on the light

Sourced from a thermal power station

Driven by Yuken India's hydraulic package

Brushing one's teeth

Toothbrush made of plastic

Brush manufactured on injection moulding machines

Driven by Yuken India's hydraulic package

Drive to work

Use a personal or public vehicle

Automobiles manufactured using steel

Driven by Yuken India's hydraulic package

Enter the elevator

Press a button to close the doors

All made from steel

Driven by Yuken India's hydraulic package

Enter the new office

Large floor plate; tall structure

Built with sophisticated construction equipment

Driven by Yuken India's hydraulic package

Time for lunch

Have a nice vegetarian canteen lunch

Soil prepared for growing vegetables using a tractor

Driven by Yuken India's hydraulic package

Back to work

Entering a meeting

Scribbling notes on a pad made of paper

Driven by Yuken India's hydraulic package

Our major customers

Machine Tool

LMW · Ace Micromatic Group · JYOTI · BFW · KENNAMETAL · macpower · PRECISION TSUGAMI

Steel

सेल SAIL · JSW · TATA STEEL · AM/NS INDIA · JSL JINDAL STAINLESS · CMI INDUSTRY Metals · PRIMETALS TECHNOLOGIES

Power

BHEL · NHPC · NTPC · bfl · ALSTOM · MECAMIDI HPP · FLOVEL

Plastic

ASB Form Your Vision · MILACRON · WINDSOR Partner in Progress · Shibaura Machine · electronica Plastic Machines · PASL · polymechplast

Auto

SUZUKI · HONDA · BAJAJ · TOYOTA · Mahindra · Hero · TVS

Mobile & Construction

JCB · CNH INDUSTRIAL · TATA HITACHI · ESCORTS · ACE · TEREX CORPORATION · AJAX

Defence, Agri & others

Indian Navy · Indian Ordnance Factories · Indian Coast Guard · Mazagon Dock Shipbuilders Limited · Indian Railways · beml NEW FRONTIERS. NEW DREAMS · BULL

Management Discussion and Analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

In 2020, global economic activity was affected by the pandemic, resulting in a contraction of 3.5% after a slow growth 2.9% in 2019. G20 countries experienced an aggregate slowdown of 3.2%, with the Euro area contracting by 6.8%, UK by 9.9%, Japan by (-) 4.8% and the US by (-)3.5%. Among major economies, India contracted by 8% while China was the only major economy to record a growth of 2.3% in 2020.

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's GDP grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP contracted 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF). Drivers of resilience and growth have been different across economies, with the US being led by household spending, while emerging markets and East Asia are catalysed by industrial production, exports and the commodity boom. Europe is benefiting from a resumption in world trade, while its consumer spending remains constrained.

There could be a combination of pent-up demand, accumulated household savings and the easing of restrictions as vaccination progresses could spur inflation, especially as cost pressures and temporary supply disruptions emerge due to surging demand and strict containment measures. However, the idle and spare global manufacturing capacity could keep inflation in check.

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 billion was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian Government announced a bold economic stimulus to combat the sharp slowdown caused by the lockdown, its various measures aimed at easing liquidity and credit unavailability faced by the MSME sector to reinvigorate economic activity. Similarly, various measures targeted at incentivizing investments in economic segments and labour reforms, helped improve sentiment and attract global investments, strengthening India's self-reliance for critical needs.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

During FY 2020-21, while the Agricultural sector posted a growth of 3%, the Industrial sector contracted by 7.4% and the Services sector was hit the hardest with a decline of 8.4%. As a result, consumption expenditure declined 7.1% while Gross Fixed Capital Formation contracted 12.4%. A decline in global commodity prices helped contain inflation, with Consumer Price Index inflation rising 6.18% and Wholesale Price Index inflation rising 1.2% during the year.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	-7.3

Growth of the Indian economy, FY 2020-21

	Q1, FY21	Q2, FY21	Q3 FY21	Q4,FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 lakh in FY 2019-20 to ₹1.27 lakh in FY 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY 2020-21.

The Indian currency strengthened from a level of ₹76.11 on 1st April, 2020 to a USD to ₹73.20 as on 31st March, 2021 after peaking at ₹76.97/ USD on 21st April, 2020 (Source: Poundsterlinglive, exchangerates.org.uk)

India's foreign exchange reserves continue to be in record setting mode – FY 2020-21 saw USD 101.5 billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of USD 23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of USD 2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors. These incentives could attract outsized investments, catalysing India's growth journey.

Outlook

The emergence of the second COVID-19 wave dampened outlook for a strong projected rebound in real GDP growth of 10.5% in FY 2021-22, which had been supported by a strong revival achieved in Q4 FY 2020-21 and impact of fiscal stimulus packages under AtmaNirbhar 2.0 and 3.0 schemes, increased capital outlays and the promotion of investments in the Union Budget 2021-22.

As a result of the setback caused by the second wave, real GDP growth for FY 2021-22 may finish lower than expected before India returns to robust growth in FY 2022-23 with a projected 6.8% growth over FY 2021-22.

Despite recent developments, India's economic activity has been gathering strength with demand and supply sides staging an appreciable recovery, improved mobility and optimism due to a sustained vaccination rollout programme, growth-enhancing proposals in the Union Budget and reasonably favourable monetary conditions. However, India's growth outlook could also depend on the trajectory of global economic recovery, in view of external trade linkages, hardening crude oil prices and competition in the export markets.

Global hydraulic components industry review

The global hydraulic component industry is estimated to reach a market valuation of USD 61.3 billion in 2020. Growing at a CAGR of 3.6% from 2020-2027, the global hydraulic market is estimated to be a valued at USD 78.3 billion by 2027. During the same period, hydraulic pumps and motors, and valves is expected to grow at a CAGR of 4.4% and 3.2% respectively. This growth is largely attributed to the growing demand in the construction and mining industry for hydraulic components owing to their safety and efficiency.

The United States of America holds about 26.98% of the global hydraulic market, estimated at USD 16.5 billion in 2020. During the period of 2020-27, the Asia Pacific region is poised to witness the largest growth in the hydraulics components market, with China alone expected to reach a value of USD 16.6 billion, growing at a CAGR of 6.6% in the same period. Among other vital geographic markets Europe, barring Germany, is also expected to reach USD 16.6 billion by 2027. The growth in the hydraulics industry is largely being led by the developing APAC countries such as India and China, as manufacturing of hydraulics would be much cheaper there than in a developed country.

With the adoption of Industrial Internet of Things (IIoT) hydraulics component industry has been given a digital makeover, making them more efficient as it allowed dynamic supervision of the machinery. Hydraulic components are equipped with sensors and digital interface which allows users to operate machines from a single display interface. Owing to the competitive nature of the hydraulic industry companies are investing in R&D to constantly upgrade their products and stay ahead of the competition.

Outlook

The growing investment in infrastructural development will foster the growth of the hydraulics component industry. By 2030, the global construction industry, led by India, China and the US, is expected to reach USD 15.5 trillion, owing to increasing number of construction investments in these parts of the world.

(Source: Marketwatch, Market and Market, PRnewswire)

Indian hydraulic components industry review

The hydraulic machinery is used in various industries such as construction, aerospace and defence, steel plants, mining and agriculture machinery among others. Therefore, the growth trajectory of these industries has a direct impact on the hydraulic components industry. The Covid-19 virus, which had forced worldwide industrial lockdowns, caused a decline in the hydraulics industry due to the suspension of all industrial activities for months.

In a post-pandemic environment, the hydraulics industry is likely to see a boost as the various sectors it caters to has witnessed demand recovery following the lockdown. These sectors include core sectors such as road construction, rural development and mining, where the government has allocated large brackets for infrastructural development.

(Source: Equipment India)

Outlook and growth drivers

Infrastructure: The infrastructure sector is an integral part of a country's economy. The National Infrastructure Pipeline currently comprises of 7400 infrastructure projects across roads and railways. Upcoming infrastructure projects such as construction of new roads, highways, and freight corridors etc. will increase the demand for hydraulic components and equipment.

Urbanisation: Rising urbanisation will play an important role in India's economic growth. It is estimated that between the period of 2019 and 2035, 17 out of 20 of the fastest growing cities will be from India. By 2030, Indian cities are expected to be at the forefront of the country's economic growth, contributing around 70% to the country's GDP.

Manufacturing: With initiatives such as 'Atmanirbhar Bharat' and 'Make in India', the Government intends to position India as the manufacturing hub of the world. Also, after the outbreak of the coronavirus pandemic countries seeking to shift their supply chain from China are looking at India as a favorable alternative.

Core sectors: Core sectors like steel and coal are important indicators of economic growth in a country. By 2030-31, steel production is set to increase to 300 million tonnes and Coal India has set the target of producing one billion tonnes of coal by 2023-24. This indicates the massive industrialization that is set to take place in the coming years.

Rising population: India is set to overtake China as the world's most populous country in 2025. In order to meet the demands of its rising population, India advance in terms of economy and infrastructure. The government is already set in motion a series of economic and infrastructural projects in order to meet its USD 5 trillion economy target by 2024-25. (Source: Economic Times, Equipment India)

Opportunities

Yuken India is set to benefit from the upcoming growth in the hydraulics industry as:

- It is a well-established brand with decades of experience
- It offers a variety of products to address diverse customer needs
- Its brand is known for maintaining superior service standards and fast delivery time
- Its products are at par with global benchmarks while still being available at affordable prices
- It undertakes research to enhance product development capabilities
- It has years of experience in customer engagement with a sizeable market share

Threats

- Rising input costs
- Altering customer choices
- Expensive technology upgradation
- Need to continuously develop new products
- Unstable foreign currency
- Highly competitive global market
- Increasing competition
- Environmental threat due to oil leaks

Financial analysis (Consolidated)

Gross revenues decreased by 9% to ₹223.47 crore during FY20-21 compared to ₹246.22 crore during FY 2019-20.

Operating profit (EBITDA) stood at ₹24.27 crore compared to ₹18.67 crore during FY 2019-20.

Finance costs decreased by 6.93 % from ₹10.88 crore to ₹10.13 crore during FY 2020-21.

Total expenses stood at ₹218.62 crore,

including tax expenses stood at ₹1.52 crore and deferred tax charge/ (benefit) worth ₹(0.95) crore.

Profit after tax including other comprehensive income (OCI) stood at ₹4.96 crore compared to ₹2.78 crore during previous year.

Net worth stood at ₹178.07 crore as on 31st March, 2021 compared to ₹173.76 crore on 31st March, 2020.

Property, plant and equipment and intangible assets including investment property increased by 15 % to ₹120.24 crore during FY 2020-21 from ₹104.64 crore during FY 2019-20.

Capital work-in-progress for the year has decreased to ₹12.56 crore during FY 2020-21 compared with ₹23.13 crore during FY 2019-20

Cash and cash equivalents stood at ₹5.85 crore as on 31st March, 2021 compared to ₹0.98 crore as on 31st March, 2020.

Key financial ratios

Particulars	FY 2020-21	FY 2019-20
EBIDTA/Turnover (%)	11	8
Net profit/Turnover (%)	2	1
Debt-equity ratio	0.16	0.24
Current ratio	1.25	1.40
Interest coverage ratio	1.53	1.02
Inventory Turnover (number of days), excluding residential units from JDA.	98	81
Debtors Turnover (number of days)	112	100
Return on Networth (%)	6	4
Book value per share (₹)	148.39	144.80
Earnings per share (₹)	4.38	2.52

JDA-Joint Development agreement

Internal control systems and their adequacy

The organisational culture of Yuken India has been built on the foundation of transparency and accountability. The Company practices fair and comprehensive corporate governance through the implementation of its Code of Conduct and various policies formed in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has Prevention of Sexual Harassment Policy modeled after Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has a proactive Audit Committee that routinely oversees and controls internal processes. The Committee of the Board and the Constitution of the Company ensures that the accounting policies and internal procedures are in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Human resources

The Company believes that its people are its strength, and their talent is an asset. Thus, the Company has framed its human resource policies that encourage creativity, talent and performance. The Company has consistently strived to provide a platform for professional growth of its employees. The Company had 440 employees as on 31st March, 2021.

Risk management

Competitive risk High competition could erode revenues and margins.	**Mitigation** The Company is capital light. It has a diverse range of products to cater to different customer needs. The Company has enhanced customer experience by providing after sales service and transforming the product into a solution, which has helped dilute the competition. Moreover, the Company already has a well-established clientele it enjoys a high market share from.
Sectoral performance risk Concentration on low performing sector could affect the company's growth	**Mitigation** The Company is present in a variety of sectors like automobile, power, steel and plastic, which helps it maintain sustainable profits while hedging itself against any temporarily low performing sectors. The Company is planning to expand its portfolio to renewable energy, defence and marine engineering.
Economy risk The industry's growth is in sync with that of the economy. Hence, it is vulnerable to the country's economic changes.	**Mitigation** The Company has a diversified multi-product, multi-sector and multi-geographic presence, which enables it to resist the complete effect of an economic slowdown.
Service risk The Company may be unable to deliver efficient and prompt service to the client which could result in equipment downtime, affecting the brand of the Company.	**Mitigation** The Company has a distribution network of ~58 dealers pan-India, which ensures high product availability. Over the years, it has strengthened its service vertical with the aim to reduce equipment downtime.
Technology risk The introduction of latest technologies could reduce the demand for existing products in the marketplace, thereby affecting the business.	**Mitigation** The Company's products such as pumps and valves have been much in demand over the decades.

BOARD'S **REPORT**

To,
The Members of
YUKEN INDIA LIMITED

Your Directors have pleasure in presenting their 45th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2021.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Financial Highlights: Rs. In Lakhs

Particulars	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Net Income	**19,361.68**	**20,789.52**	**22,347.01**	**24,622.27**
Total expenditure	17,104.41	19,027.58	19,888.64	22,724.76
Profit/(Loss) before interest, depreciation and tax	2,257.27	1,761.94	2,458.37	1,897.51
Finance cost	814.76	917.95	1,012.69	1,088.09
Depreciation	483.29	426.65	872.18	756.49
Profit/(Loss) Before Tax	**959.22**	**417.34**	**573.50**	**52.93**
Provision for Taxation (Net of deferred tax)	208.17	(179.56)	65.80	(235.53)
Profit/(Loss) After Tax	**751.05**	**596.90**	**507.70**	**288.46**
Share of Profit/(Loss) of Associates	-	-	10.91	13.87
Net Comprehensive Income for the year	(23.05)	(23.65)	(22.94)	(24.20)
Total Comprehensive Income for the year	**728.00**	**573.25**	**495.67**	**278.13**
Total comprehensive income attributable to Controlling interest	-	-	502.47	288.82
Balance in Statement of profit and loss	16,474.99	16,191.07	15,537.83	15,538.35
Amount available for appropriation	**17,202.99**	**16,764.32**	**16,040.30**	**15,827.16**
Appropriations:				
Equity Dividend paid	(72.00)	(240.00)	(72.00)	(240.00)
Tax on Equity Dividend	-	(49.33)	-	(49.33)
Balance carried to Balance Sheet	**17,130.99**	**16,474.99**	**15,968.30**	**15,537.83**

On Standalone basis, the Company has registered a net income of Rs. 19,361.68 lakhs (including income from sale of property located at Patancheru, Hyderabad amounting to Rs. 597.07 lakhs) as compared to Rs. 20,789.52 lakhs of previous year. The total revenue is decreased due to COVID-19 pandemic situation globally.

On Consolidated basis, the Company has registered net income of Rs. 22,347.01 lakhs as compared to Rs. 24,622.27 lakhs of previous year. (Including income from sale of property located at Patancheru, Hyderabad amounting to Rs. 597.07 lakhs)

2. DIVIDEND:

Your Directors recommend payment of a dividend of 6% (Six percent) i.e. Rs. 0.60 (Sixty Paisa only) per equity share of Rs. 10/- each for the year ended 31st March, 2021, subject to the approval of the members at the ensuing Annual General Meeting.

3. IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23rd March, 2020, due to which the Company suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments.

Considering the lockdown, the Company has suspended its operations at all manufacturing facilities and offices with effect from 24th March, 2020 to 04th May, 2020. The plant was operational from 05th May, 2020 with minimum employees.

To curb the effects of the COVID-19 pandemic, The Company has undertaken several measures to operate in the safest ways possible.

The recent Second wave of Covid-19 also affected all the industries very badly. On impact of Second wave, due to lock down in the State of Karnataka from mid of April-2021, our Company also operating at a low capacity. We hope very soon we shall see a positive outcome.

4. ANNUAL RETURN:

In accordance with the Companies Act, 2013, the Annual Return in the prescribed format is available at Company's website at https://www.yukenindia.com/report-result/

5. BOARD MEETINGS HELD DURING THE YEAR:

During the year, 6 (Six) meetings of the Board of Directors and one meeting of Independent Directors were held. The details of the meeting are furnished in the Corporate Governance Report.

6. COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

All Independent Directors of the Company have given declarations to the Company under Section 149 (7) of the Companies Act, 2013 that, they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Board is of the opinion that, the Independent Directors of the Company possess requisite qualifications, experience and expertise in the field of manufacturing, finance, auditing, tax, economic, legal and Regulatory matters, Strategic thinking/planning, decision making, leadership, knowledge about the Company's business and protect interest of all stakeholders.

In compliance with the Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs.

7. REMUNERATION POLICY OF THE COMPANY:

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report.

As and when need arises for appointment of Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC while recommending candidature to the Board, will take into consideration the qualification, attributes, experience and Independence of the Candidate. Director(s) appointment and remuneration will be as per NRC Policy of the Company.

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act. Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is forming part of this report.

8. ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board, its Chairman and Non- Executive Directors and other items as stipulated under the Listing Regulations.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There has been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations. All orders received by the Company during the year are of routine in nature which have no significant/material impact.

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

LOANS:

During the year under review, your Company has not granted any loan within the meaning of Section 186 of the Companies Act, 2013.

Investments:

There are no new investments made during the financial year 2020-21.

Corporate Guarantee:

During the year under review, the Company has not granted any Corporate Guarantees to its Subsidiary/Associate Companies. However, existing Guarantees are renewed and outstanding balances of Corporate Guarantees as on 31st March,2021 are as under.

Rs. in Lakhs

Sl. No.	Particulars	Name of Bank	Outstanding Balance as on 31.03.2021
1	Coretec Engineering India Private Limited	HDFC Bank	750
		Sumitomo Mitsui Banking Corporation	1,100
2	Grotek Enterprises Private Limited	HDFC Bank	600
		Sumitomo Mitsui Banking Corporation	1,000

The above loans, guarantees and investments are within the limits prescribed under Section 186 of the Companies Act, 2013.

11. AMOUNT, IF ANY, PROPOSED TO BE TRANSFERRED TO RESERVES:

During the year under review, the Company has not transferred any money towards General Reserve.

12. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

A. TRANSFER OF UNPAID DIVIDEND:

As required under Section 124 of the Companies Act 2013, the unclaimed dividend amount aggregating to Rs. 71,626/- lying with the Company for a period of 7 (Seven) years pertaining to the financial year ended on 31st March, 2013 was transferred during the financial year 2020-21 to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

B. TRANSFER OF SHARES:

As per the provisions of Section 124 of the Companies Act, 2013, 1,350 equity shares of Rs. 10/- each, in respect of which dividend has not been claimed by the members for 7 (Seven) consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund Authority (IEPF) during the financial year 2020-21. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

13. 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 consolidated financial statements presented by the Company includes financial results of its Subsidiary and Associate Companies.

The Annual Accounts of the Subsidiary Companies are available on the website of the Company at
https://www.yukenindia.com/report-result/

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

Rs. In Lakhs

Particulars	Subsidiary				Associates	
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	Kolben Hydraulics Limited.	Yuflow Engineering Private Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.
Total Income						
FY 2020-21	4,021.28	2,095.23	420.32	90.97	1,674.76	8.18
FY 2019-20	4,613.18	2,410.07	476.39	11.83	2,049.35	41.05
Total expenditure						
FY 2020-21	3,685.15	2,075.15	483.77	109.21	1,475.81	9.87
FY 2019-20	4,328.57	2,370.08	578.26	57.05	1,837.64	41.53
Profit/(Loss) before interest, depreciation and tax						
FY 2020-21	336.13	20.08	(63.45)	(18.25)	198.95	(1.69)
FY 2019-20	284.61	39.99	(101.87)	(45.22)	211.70	(0.48)
Finance cost						
FY 2020-21	125.82	130.04	-	0.27	80.35	-
FY 2019-20	82.45	127.34	-	0.32	83.54	-
Depreciation						
FY 2020-21	281.58	91.57	10.29	5.45	85.26	4.67
FY 2019-20	235.54	82.33	10.85	3.17	92.39	3.38
Profit/(Loss) before tax and exceptional item						
FY 2020-21	(71.27)	(201.53)	(73.74)	(23.97)	33.35	(6.36)
FY 2019-20	(33.38)	(169.68)	(112.72)	(48.71)	35.77	(3.86)
Exceptional Item						
FY 2020-21	-	-	-	-	-	0.57
FY 2019-20	-	-		-	-	-
Provision for taxation (Net of deferred tax)						
FY 2020-21	(24.23)	(92.68)	(25.46)		(0.36)	(0.23)
FY 2019-20	(8.64)	(9.97)	(37.22)	-	(0.92)	0.10
Other comprehensive income for the year						
FY 2020-21	(0.97)	1.08	-	-	(2.31)	-
FY 2019-20	(0.12)	(0.43)	-	-	0.46	
Profit/(Loss) after tax(Including other comprehensive income)						
FY 2020-21	(48.01)	(107.77)	(48.28)	(23.97)	31.40	(5.56)
FY 2019-20	(24.86)	(160.14)	(75.50)	(48.71)	37.15	(3.96)
Earnings per share (in Rs.)						
FY 2020--21	(0.94)	(3.01)	(4.83)	(1.20)	3.75	(4.40)
FY 2019-20	(0.49)	(20.16)	(7.55)	(2.44)	4.08	(3.14)

Statement containing salient features of financial statements of subsidiaries and associate Companies in Form AOC-1 is enclosed herewith as 'Annexure-1' forming part of this report.

14. RELATED PARTY TRANSACTIONS:

The Board of Directors has adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties. All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business.

Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in the Note No. 44 of the Notes forming part of the financial statements in the Annual Report.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website.

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

Particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 is enclosed herewith as 'Annexure-2', forming part of this report.

15. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:

The Company has received letter dated 15.03.2021 on 20.03.2021 from Regional Director, Hyderabad w.r.t return back of our application with respect to Scheme of Amalgamation of Yuflow Engineering Private Limited with Yuken India Limited due to some reasons.

In view of the above, your Board of Directors at their meeting held on 15th April, 2021 approved the draft Scheme of Amalgamation ("Scheme") of Yuflow Engineering Private Limited (Wholly Owned Subsidiary) with Yuken India Limited and their respective Shareholders & Creditors. Such Scheme was presented under Section 230 - 232 and other applicable provisions of the Companies Act, 2013 and the rules & regulations made thereunder. The approval of the Scheme is subject to sanction of the Scheme by the National Company Law Tribunal (NCLT).

Apart from this, there has been no other material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. The details are as under:

1. Conservation of Energy:

A. Steps taken or impact on conservation of energy:

- Replaced conventional light fixtures with energy efficient LED light fixtures in the plant.
- Power factor was maintained at 0.99 by identifying and replacing faulty capacitors, increasing the frequency of periodic/preventive maintenance of capacitor banks.
- Installation of Servo Stabilizer in Shop floor and certain office lighting reduced maintenance cost and saving in energy.
- Reduction in total energy footprint through various capital projects ranging from installation of energy efficient pumps, solar street lights in walking area and factory areas, etc.
- Replacement of old age screw compressor having low working efficiency with new air compressor.
- For natural lighting, transparent sheet has been installed in all the plants to reduce energy consumption.
- To reduce the temperature inside the shop floor, various types of plants has been planted vertically on the walls.

2. Foreign Exchange Earnings and Outgo:

A. Foreign Exchange Earnings:

Rs. in lakhs

Sl. No.	Particular	Year ended 31.03.2021	Year ended 31.03.2020
1	Export Sales	254.33	234.18
2	Other Income	35.51	6.24

B. Expenditure in Foreign Currency:

Rs. in lakhs

Sl. No	Particular	Year ended 31.03.2021	Year ended 31.03.2020
1	Brand fee	65.48	78.48
2	Others	-	40.77

C. Remittance in Foreign Currency on Account of:

Rs. in lakhs

Sl. No	Particular	Year ended 31.03.2021	Year ended 31.03.2020
1	Dividend	28.80	96.00

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.

The Company has developed certain pumps, valves etc., which are energy efficient and as per the customer requirements. 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. Upgradation and modification of chip compacting machine which was originally designed by Yuken Kogyo Co. Ltd., Japan.

ii. Several concepts of energy saving hydraulic power units have been designed to suit customer requirements.

iii. Development of high pressure valves and pumps for steel industries.

iv. The Company is in the process of developing various types of Electro Hydraulic Drives and equipments for the purpose of construction and mobile segments.

(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.
- Strong focus on employee involvement to eliminate waste in operations through focused initiatives.
- Focus on process improvements to enable the Company to penetrate into the export market.

(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, the Company is focusing on Make in India concept and Atmanirbhar Bharat Abhiyan introduced by Government of India.

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

- Dependency on imports is minimized / import substitution.
- Reduction of material cost.
- Improvement in Quality and 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:

NIL

17. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

During the year, there was no change in the nature of business of the Company.

18. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

19. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not Applicable.

20. DEPOSITS:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the Ministry of Corporate Affairs notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies the requisite returns for outstanding receipt of money/loan by the Company, which are not considered as deposits.

21. BOARD OF DIRECTORS:

The Board of Directors comprises of a combination of Executive/ Non-Executive Directors and Independent Directors who are professionals in their respective fields and bring in a wide range of skills, experience and expertise. The composition of Board is as under;

Sl. No.	Name of the Director	Designation
1	Capt. N S Mohanram	Independent Director
2	Mr. R Srinivasan	Independent Director
3	Dr. Premchander	Independent Director
4	Mrs. Indra Prem Menon	Independent Director
5	Mr. Hidemi Yasuki	Non-Executive Director
6	Mr. Hideharu Nagahisa	Non-Executive Director
7	Mr. Kenichi Takaku	Non-Executive Director
8	Mrs. Vidya Rangachar	Non-Executive Director
9	Mr. C P Rangachar	Managing Director

Mr. Kenichi Takaku appointed as an Additional Director of the Company with effective from 09th May, 2020 and re-designated as Director on 24th September, 2020.

At the Annual General Meeting held on 24th September, 2020, Mr. C P Rangachar – Managing Director has been re -appointed for a period of 5 years with effect from 01st May, 2020 to 30th April, 2025.

Mrs. Indra Prem Menon appointed as an Additional, Lady Independent, Non- Executive Director of the Company with effective from 24th September, 2020. She shall hold the office up to the date of ensuing Annual General Meeting of the Company. The Board recommends for her appointment as Lady Independent, Non-Executive Director for period of 5 years with effect from 24th September, 2020, at the ensuing Annual General Meeting.

Mr. Hideharu Nagahisa, Non-Executive Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

22. KEY MANAGERIAL PERSONNEL ("KMP"):

Pursuant to provisions of Section 203 of the Companies Act, 2013, following persons are Key Managerial Personnel as on 31st March,2021:

Sl. No.	Name of the KMP	Designation
1	Mr. C P Rangachar	Managing Director
2	Mr. K Gopalkrishna	Executive Director
3	Mr. H M Narasinga Rao	Chief Financial Officer
4	Mr. A Venkatakrishnan	Chief Executive Officer
5	Mr. Vinayak Hegde	Company Secretary

Mr. A Venkatakrishnan appointed as a Chief Executive Officer (CEO) of the Company with effective from 06th August, 2020.

23. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The details on Internal Control Systems and their adequacy are provided in the Management's Discussion and Analysis which forms part of this Report.

24. 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. However, provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company for the FY 2020-21.

Risks are identified by the respective departmental heads. Each Strategic Business Unit (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 mitigated some of the risks as mentioned below.

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.

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.

25. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES:

The Company has a Policy on Corporate Social Responsibility and has constituted a CSR Committee as required under the Act, for implementing the various CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report. Education, Health Care, Protection of Indian Art and Culture, Animal Welfare, Rural Development, disaster management including relief etc., are the focal areas under the CSR Policy.

The Company has implemented various CSR projects directly and/ or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. The Company has spent an amount of Rs. 16,26,226/- for identified CSR activities during the financial year ending 31st March, 2021. A detailed Report on CSR is enclosed as 'Annexure-3' forming part of this report.

26. DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) and 134 (5) of the Act, that:

(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.

27. SECRETARIAL STANDARDS:

The Company complies with all the applicable mandatory secretarial standards issued by Institute of Company Secretaries of India.

28. COMMITTEES OF THE BOARD:

As on 31st March, 2021, the Board had 4 (Four) committees: The Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, and the Stakeholder's Relationship Committee. A majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees are provided in the Corporate governance report, which forms part of this report.

29. WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism.

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

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

30. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:

The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. As required under law, an internal Compliance Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the year, no complaint of sexual harassment has been received.

31. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

During the year, there were no revision of the financial statements of the Company.

32. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

As part of the Familiarization 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.

33. 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 2020-21:

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2020-21 (In Rs.)	Remuneration for the financial year 2019-20 (In Rs.)	% increase (decrease) in remuneration in the financial year 2020-21	Ratio of remuneration of each Director/ KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	62,23,252	69,19,876	(10.07)	11.17:1
Capt. N S Mohanram, Non-Executive, Independent Director	2,63,250	2,37,917	10.65	0.47:1
Mr. R Srinivasan, Non-Executive, Independent Director	2,79,250	2,09,917	33.03	0.50:1
Dr. Premchander, Non-Executive, Independent Director	2,47,250	2,57,917	(4.14)	0.44:1
Mrs. Indra Prem Menon, Non-Executive, Lady Independent Director w.e.f 24.09.2020	1,03,250	-	-	0.19:1
Mrs. Vidya Rangachar, Non-Executive Director	1,51,250	1,29,917	16.42	0.27:1
Mr. Hideharu Nagahisa, Non-Executive Director	1,19,250	57,916	105.90	0.21:1
Mr. Hidemi Yasuki, Non-Executive Director	1,19,250	57,916	105.90	0.21:1
Mr. Kenichi Takaku, Non-Executive Director, appointed w.e.f 09.05.2020	1,19,250	-	-	0.21:1
Mr. K Gopalkrishna , Executive Director	56,88,023	56,54,562	0.59	10.21:1
Mr. H M Narasinga Rao, Chief Financial Officer	48,90,708	47,61,972	2.70	8.78:1
Mr. A Venkatakrishnan, Chief Executive Officer, appointed w.e.f 06.08.2020	26,92,628	27,91,752	(3.55)	4.83:1
Mr. Vinayak Hegde, Company Secretary	6,84,620	5,92,173	15.61	1.23:1

Notes:

1. The Net Profit after tax has increased by Rs. 154.15 lakhs (excluding other comprehensive income) as compared to the previous year and the remuneration of the Managing Director has decreased by 10.07%.
2. Remuneration paid /payable to Managing Director and Non-Executive Directors for the financial year 2020-21 is inclusive of Salary, Commission and Sitting Fees.
3. All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company, The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.

b. The number of permanent employees on the rolls of the Company as on 31st March, 2021 was 317 (previous year :313).

c. Percentage decrease in median remuneration of employees for the financial year is 19.16%.

d. Average percentage increase/(decrease) already made in the salaries of employees other than the key 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:

- Percentage decrease of salaries of employees other than the key managerial personnel in the financial year: 15.73% as compared to previous year.
- Percentage Decrease in the key managerial remuneration: 2.61% as compared to previous year.

Impact of Covid-19 pandemic on performance of the Company for the FY 2020-21, the Company has reduced the manpower and cut down the existing salary of the employees Hence, total salary is reduced as compared to previous year.

e. The key parameters for any variable component of remuneration availed by the Directors.

Commission payable to Directors has calculated on the basis of net profits of the Company under the provisions of Section 197 of the Companies Act, 2013 and based on the Nomination and Remuneration Policy of the Company. The Directors are eligible for the commission on the net profit of the Company for the financial year 2020-21.

f. 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: NIL

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

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

   i. Employed throughout the financial year and were in receipt of remuneration for the year, in the aggregate of not less than Rs. 102 lakhs - 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. 8.50 lakhs 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

34. SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1	Issue of Equity shares with differential rights	Nil
2	Issue of Sweat Equity shares	Nil
3	Issue of employee stock option	Nil
4	Provision of money by Company for purchase of its own shares by trustees for the benefit of employees	Nil

The Authorized share Capital of the Company is Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs. 10/- each and paid up equity share capital of the Company is Rs. 12,00,00,000 consisting of 1,20,00,000 equity shares of Rs. 10/- each as on 31st March, 2021.

During the year under review, the Company has not issued any shares or any convertible instruments.

35. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Adarsh Sharma & Co, Cost Accountants, Bengaluru, as Cost Auditors for conducting Cost Audit for the financial year 2021-22. Your Directors proposed to ratify the remuneration payable to them for the financial year 2021-22 at the ensuing Annual General Meeting.

A resolution seeking Member's approval for remuneration payable to Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration.

36. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiok and Co., LLP, Chartered Accountants (Firm Registration No.001076N /N500013), were appointed as Statutory Auditors of the Company for a term of 5 years and to hold the office up to the conclusion of 46th Annual General Meeting of the Company to be held in the year 2022.

There are no qualifications in their report for the financial year ended 31st March, 2021. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

37. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed M/s. Joseph & Chacko LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for FY 2020-21. The Secretarial Auditors Report for FY 2020-21 does not contain any qualifications. The Report of the Secretarial Audit is annexed herewith as 'Annexure 4' forming part of this report.

The Board of Directors have re-appointed M/s. Joseph & Chacko LLP, Company Secretary in Practice to conduct the Secretarial Audit for FY 2021-22 also.

38. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:

Your Company is committed to maintain 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 as 'Annexure -5' forming part of this report. The certificate does not contain any qualifications.

39. BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34 of SEBI (LODR) Regulations, the business Responsibility Report for the year 2020-21 describing the initiatives taken from environment, social and governance perspectives, in the prescribed format is attached as 'Annexure – 6' forming part of this report.

40. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis (MDA) forms part of the Annual Report setting out an analysis of business including the industry scenario, performance, financial analysis and risk mitigation. Refer page No. 12

41. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard Ind AS-110 on "Consolidated Financial Statements" read with Accounting Standard Ind AS-28 on "Accounting for Investments in Associates", the audited Consolidated Financial Statements are provided in the Annual Report.

42. 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.

43. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, Stock Exchanges, various Government Authorities and all the stakeholders 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. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

For and on **behalf of the Board of Directors**

	Capt. N S Mohanram	**R Srinivasan**	**C P Rangachar**
Place: Bengaluru	Director	Director	Managing Director
Date: 07th June, 2021	(DIN: 02466671)	(DIN:00043658)	(DIN: 00310893)

Annexure-1

FORM AOC-1

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

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

PART "A": SUBSIDIARIES

Rs. In lakhs

Sl. No.	Particulars	Details			
1	Name of the subsidiary	Grotek Enterprises Private Limited	Coretec Engineering India Private Limited	Yuflow Engineering Private Limited	Kolben Hydraulics Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April, 2020 to 31st March, 2021	01st April, 2020 to 31st March, 2021	01st April, 2020 to 31st March, 2021	01st April, 2020 to 31st March, 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share capital	501.00	361.96	200.00	100.06
5	Reserves & surplus	(268.07)	(99.18)	(712.09)	(200.55)
6	Total assets	4,732.55	3,492.51	215.18	327.17
7	Total Liabilities (Excluding Share Capital & Reserves)	4,499.62	3,229.73	727.27	427.66
8	Investments	-	-	-	-
9	Turnover & other income	4,021.28	2,095.23	90.97	420.32
10	Profit /(Loss) before taxation	(71.27)	(201.53)	(23.97)	(73.74)
11	Provision for taxation	(24.23)	(92.68)	-	(25.46)
12	Other comprehensive income for year	(0.97)	1.08	-	-
13	**Profit /(Loss) after taxation including other comprehensive income**	**(48.01)**	**(107.77)**	**(23.97)**	**(48.28)**
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%	100%	100%	85.92%

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

Rs. In lakhs (except shares)

Name of associates	Sai India Ltd	Bourton Consulting (India) Pvt. Ltd.
Latest audited Balance Sheet Date	31st March, 2021	31st March, 2021
Shares of Associate held by the held by the Company on the year ended 31st March, 2021	3,60,000	37,300
Amount of Investment in Associates	20.00	3.73
Extent of Holding%	40%	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 29.54% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.
Reason why the associate is not consolidated	NA	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	441.58	3.54
Profit/ (Loss) for the year including comprehensive income	31.40	(5.55)
Considered in Consolidation	12.56	(1.64)
Not Considered in Consolidation	18.84	(3.91)

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.

For and on **behalf of the Board of Directors**

	Capt. N S Mohanram	**R Srinivasan**	**C P Rangachar**
Place: Bengaluru	Director	Director	Managing Director
Date: 07th June, 2021	(DIN: 02466671)	(DIN:00043658)	(DIN: 00310893)

Annexure-2

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 arm's length transactions under third proviso thereto.

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

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

   All related party transactions are in the ordinary course of business and on arm's length basis and approved by Audit Committee of the Company. Please refer transactions reported in Note No. 44 of the Notes forming part of the standalone financial statements in the Annual Report.

For and on **behalf of the Board of Directors**

	Capt. N S Mohanram	**R Srinivasan**	**C P Rangachar**
Place: Bengaluru	Director	Director	Managing Director
Date: 07th June, 2021	(DIN: 02466671)	(DIN:00043658)	(DIN: 00310893)

ANNEXURE -3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES:

1. **Brief outline on CSR Policy of the Company:**

The main objectives of Yuken India Limited ("YIL") CSR Policy is 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 and to directly or indirectly take up programs that benefit the communities over a period of time, in enhancing the quality of life and economic wellbeing of the society.

The projects undertaken during the financial year 2020-21 are within the broad framework of Schedule VII of the Companies Act, 2013.

2. **The Composition of the CSR Committee.**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Premchander	Chairman – Independent Director	1	1
2	Mr. C P Rangachar	Member - Managing Director	1	1
3	Mr. R Srinivasan	Member - Independent Director	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: Please refer below links in Company's website:**

   The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is at
   https://www.yukenindia.com/corporate-governance-and-code-of-conduct/
   and composition of committee is available at
   https://www.yukenindia.com/wp-content/uploads/2021/04/Latest-Committess.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the Company as per section 135(5): **Rs. 1,187.19 lakhs.**

7. (a) Two percent of average net profit of the Company as per Section 135(5): **Rs. 23.74 lakhs.**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   (c) Amount required to be set off for the financial year if any: **Rs. 11.75 Lakhs**. Carry forward form 2019-20.

   (d) Total CSR obligation for the financial year (7a+7b+7c):: **Rs. 35.49 lakhs.**

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Amount in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	(Amount in Rs.)	Date of transfer	Name of the Fund	(Amount in Rs.)	Date of transfer
Rs. 16,26,226	Rs. 14,23,000	07.05.2021	NA	NA	NA

   (b) Details of CSR amount spent against **ongoing projects** for the financial year: **NIL**

(c) Details of CSR amount spent against other than **ongoing projects** for the financial year: the details are as under:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Amount in Rs.)	Mode of implementation-Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
1	Contribution for social cause - Distribution of Rice Bags to Poor peoples who is suffering from Covid -19 Pandemic in local area.	Disaster management, including - Covid -19 Pandemic Relief.	Yes. Malur	Karnataka	Kolar	16,400	Yes	NA	NA
2	Setting up old age homes, day care centres and such other facilities for senior citizens.	Setting up old age homes, day care centres and such other facilities for senior citizens.	Yes. Malur	Karnataka	Kolar	3,50,000	No	Vishranthi Trust	CSR00006482
3	Covid-19 Relief – supporting to migrant workers.	Disaster management, including– Covid -19 Pandemic Relief.	Yes. Bengaluru	Karnataka	Bengaluru	1,50,000	No	Sampark Charitable Trust	CSR00002408
4	Construction of Building.	Protection of Art & Culture –including restoration of buildings.	Yes. Bengaluru	Karnataka	Bengaluru	1,50,000	No	Ramkrishna Math	CSR00002806
5	St. Peter Matriculation Higher Secondary School –Payment of School Fees of Poor Student.	Promotion of Education.	No.	Tamilnadu	Dindigul	30,000	Yes	NA	NA
6	Relief, rehabilitation and shelter for the animals.	Animal Welfare.	Yes. Bengaluru	Karnataka	Bengaluru	20,000	No	Compassion Unlimited Plus Action	NA
7	Donation for Class room furniture for Government model Higher Primary Girls School, Malur.	Promotion of Education.	Yes. Malur	Karnataka	Kolar	2,37,180	No	OSSAT Educational Charitable Trust	CSR00006940
8	Protection of Art & Culture –including restoration of buildings.	Protection of Art & Culture –including restoration of buildings.	Yes. Bengaluru	Karnataka	Bengaluru	30,000	No	Sree Ramaseeva Mandali	CSR00012345
9	Improvement in quality of education which includes special education, skill development and employment generating vocational skills. Etc.	Promotion of Education.	Yes. Bengaluru	Karnataka	Bengaluru	1,00,000	No	Involve Learning Solutions Foundation	CSR00001402

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Amount in Rs.)	Mode of implementation- Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
10	Protection of Animal.	Animal Welfare.	No. Udupi	Karnataka	Udupi	1,00,000	No	Govardh-anagiri Trust	NA
11	Construction of Rama Mandira – Building at Ayodhya.	Protection of Art & Culture –including restoration of buildings.	No. Ayodhya	Uttar Pradesh	Faizabad	1,00,000	No	Shri Ram Janm-bhoomi Teerth Kshetra	NA
12	Distribution Happiness Boxes to Govt. School Students.	Eradicating hunger, poverty.	Yes. Bengaluru	Karnataka	Bengaluru	1,00,000	No	The Akshaya Patra Foundation	CSR00000286
13	Protection of Art & Culture.	Protection of Art & Culture.	Yes. Bengaluru	Karnataka	Bengaluru	50,000	No	Sree Rama Lalita Kala Mandira	NA
14	Promotion of Education.	Promotion of Education.	No. Udupi	Karnataka	Udupi	1,00,000	No	Rama Vittala Trust	CSR00009247
15	Distribution of School bags and installation of water purifier Government High School Chikkakunthur, Malur.	Promotion of Education.	Yes. Malur	Karnataka	Kolar	92,646	Yes	NA	NA
					TOTAL	**16,26,226**			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 16,26,226/-**

(g) Excess amount for set off, if any: **Not Applicable**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) ((Amount in Rs.)	Amount spent in the reporting Financial Year (Amount in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2019-20*	-	-	-	-	-	-
2	2018-19	-	-	-	-	-	-
3	2017-18	-	-	-	-	-	-

*Note: CSR Unspent amount of Rs. 11,75,000/- for the FY 2019-20 has been carry forwarded to Financial year 2020-21.

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **Not Applicable.**

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details).**

    (a) Date of creation or acquisition of the capital asset(s): Not Applicable

    (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):**

    During the financial year, the Company has to spend Rs. 23.74 Lakhs as CSR expenditure. Out of that Rs. 16.26 lakhs spent on the various activities as per the provisions of Section 135 and comply with schedule VII of the Companies Act, 2013. Balance unspent amount is Rs. 7.48 lakhs.

    Further, Carry forward CSR unspent amount is Rs. 11.75 lakhs for the FY 2019-20. The Company has identified certain projects but due to Covid -19 Pandemic and lockdown during April to June -2020, the Company could not spent as planned.

    Considering the above, total unspent amount is Rs. 19.23 lakhs. Out of that, in the month of May - 2021, the Company has contributed Rs. 5 lakhs towards Covid-19 relief and balance outstanding amount of Rs. 14.23 lakhs has been transferred to Separate Bank Account on 07.05.2021 for the purpose of spending for identified projects.

For and on **behalf of the Board of Directors**

	Capt. N S Mohanram	**R Srinivasan**	**C P Rangachar**	**Dr. Premchander**
Place: Bengaluru	Director	Director	Managing Director	Director & Chairman of CSR Committee
Date: 07th June, 2021	(DIN: 02466671)	(DIN:00043658)	(DIN: 00310893)	(DIN: 02278652)

BOARDS REPORT

CG REPORT

BR REPORT

STANDALONE

CONSOLIDATED

Annexure -4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration 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) bearing CIN: L29150KA1976PLC003017 and having its registered office at No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru, Karnataka- 560048, India and books of accounts and papers maintained at P B No. 5, Koppathimmanahalli Village Malur-Hosur Main Road, Malur Taluk, Kolar District 563130. 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, 2021 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, 2021 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;
   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)
6. Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015

   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 Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976

(e) The Employees' Provident Funds And Miscellaneous Provisions Act, 1952

(f) Employees' State Insurance Act, 1948

(g) Maternity Benefits Act 1961

(h) Weekly Holidays Act, 1942

(i) The Payment of Gratuity Act, 1972

(j) The Payment of wages Act, 1936

(k) The Trade Mark Act, 1999

(l) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

m) The Code on Wages, 2019

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.

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.

For Joseph & Chacko LLP
Company Secretaries

Binoy Chacko
FCS No.: 4792
CP No.: 4221
UDIN: F004792C000360279

Place: Bengaluru
Date: 24.05.2021

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

'Annexure A'

To,
The Members
Yuken India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever 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 Joseph & Chacko LLP
Company Secretaries

Binoy Chacko
FCS No.: 4792
CP No.: 4221
UDIN: F004792C000360279

Place: Bengaluru
Date: 24.05.2021

Annexure-5

REPORT ON
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY:

The Company is committed to good Corporate Governance, based on effective independent Board, separation of supervisory role from the executive management and constitution of committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction.

The Company's philosophy on Code of Governance is the frame work of rules and practices by which a Board of Directors ensures accountability, fairness and transparency in a Company's relationship with its all stakeholders. It essentially involves balancing the interests of a Company's stakeholders, viz., shareholders, management, customers, suppliers, financiers, Government and the community.

The purpose of Corporate Governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long term success of the company.

A report on Corporate Governance as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is 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 is one Executive Director, viz., Mr. C P Rangachar, Managing Director. All the other Directors are Non-Executive Directors. Among the Non-Executive Directors, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, Mr. Kenichi Takaku and Mrs. Vidya Rangachar are Non-Executive & Non-Independent Directors and Mr. R Srinivasan, Capt. N S Mohanram Dr. Premchander and Mrs. Indra Prem Menon are Non-Executive & Independent Directors.

Further, at the Board meeting held on 08th February, 2020, Mr. C P Rangachar – Managing Director was re -appointed for a period of 5 years with effect from 01st May, 2020 to 30th April, 2025 and same has been approved by the shareholders at their meeting held on 24th September,2020.

During the year under review, Mr. Kenichi Takaku was appointed as an Additional Director on 09th May, 2020 and re-designated as Director on 24th September, 2020 and Mrs. Indra Prem Menon was appointed as an Additional – Lady Independent Director with effective from 24th September, 2020.

Further, there is no any pecuniary relationship/transaction with any of the Non-Executive Independent Directors of the Company. Further all Independent Directors fulfill the Criteria as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and Private Companies by each Director as at 31st March, 2021 are as indicated below:

Sl. No.	Name of the Director	Whether Promoter/Collaborator/ Executive/Non-Executive / Independent/Non-Independen	Attendance		LoA (3)	No. of outside Directorships held (1)	Committees Membership/ Chairmanship in other Companies (2)	
			Board Meetings	Last AGM			Member	Chairman
1	Mr. Hidemi Yasuki - Chairman & Director	Non-Executive & Non-Independent, Director (Collaborator)	4	Yes	Yes	-	-	-
2	Mr. Hideharu Nagahisa	Non-Executive & Non-Independent Director (Collaborator)	4	Yes	Yes	-	-	-
3	Mr. Kenichi Takaku – Director w.e.f 09.05.2020	Non-Executive & Non-Independent Director (Collaborator)	4	Yes	Yes	-	-	-
4	Mr. R Srinivasan	Non-Executive & Independent Director	6	Yes	NA	6	3	3
5	Capt. N S Mohanram	Non-Executive & Independent Director	6	Yes	NA	-	-	-
6	Dr. Premchander	Non-Executive & Independent Director	5	Yes	Yes	1	-	-
7	Mrs. Indra Prem Menon - Director w.e.f 24.09.2020	Non-Executive & Independent Director	2	NA	NA	14	-	-
8	Mrs. Vidya Rangachar	Non-Executive & Non-Independent Director (Promoter)	6	Yes	NA	1	-	-
9	Mr. C P Rangachar	Executive & Non-Independent Director (Promoter)	6	Yes	NA	8	1	1

Notes:

1. No. of outside Directorships includes Private & Public Limited Companies and excludes Companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend). None of the Directors of the Company hold independent directorships in more than 7 listed Companies.
2. Chairmanship/Membership of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee in other Public Companies have been considered. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.
3. LOA – Leave of Absence.
4. All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

Familiarization Programme for Independent Directors is available in Company website in below mentioned link.

https://www.yukenindia.com/Board-of-Directors/

Name of the other listed entities in which person is a Director and Category of Directorship.

Sl. No.	Name of the Listed Company	Category (Director / Independent Director / Whole Time Director)
1	Mr. R Srinivasan	
	a. Sundram Fasteners Limited	Independent Director
	b. TTK Prestige Limited	Independent Director
2	Mr. C P Rangachar	
	a. Natural Capsules Limited	Independent Director

Further, Capt. N S Mohanram, Dr. Premchander, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, Mr. Kenichi Takaku, Mrs. Indra Prem Menon and Mrs. Vidya Rangachar do not hold any directorship in the listed entities other than Yuken India Limited.

LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES AND ATTRIBUTES OF BOARD OF DIRECTORS:

The Company is engaged in the business of design, manufacture, sale and servicing of hydraulic equipment like pumps, valves, power packs, machinery, components and accessories for various applications. The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for it to function effectively and those available with the Board as a whole.

- Technical skills in the area of Manufacturing Sector.
- International Business experience: Experience in leading businesses in different geographies/markets around the world..
- Finance and Accounting Experience: experience in handling financial management of a medium scale organization along with an understanding of accounting and financial statements, financial controls, risk management etc.
- Sales & Marketing: Experience in sales and marketing management in the area of Hydraulics and Machine Tool Industries.
- General Management Experience: experience in the area of Economic, Legal and Regulatory matters, Strategic thinking/ planning, decision making, Leadership, knowledge about Company's business and protect interest of all stakeholders.

Director wise Core Skills/Expertise/Competencies is as under:

Sl. No.	Name of the Directors	LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES				
		Technical skills	International Business experience	Sales & Marketing	Finance and Accounting Experience	General Management Experience
1	Mr. C P Rangachar	√	√	√	√	√
2	Mr. R Srinivasan	√	√	√	√	√
3	Capt. N S Mohanram	√	√	√	√	√
4	Dr. Premchander	-	√	√	√	√
5	Mrs. Vidya Rangachar	-	-	√	-	√
6	Mr. Hideharu Nagahisa	√	√	√	√	√
7	Mr. Hidemi Yasuki	√	√	√	-	√
8	Mr. Kenichi Takaku	√	√	√	√	√
9	Mrs. Indra Prem Menon	√	√	√	√	√

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 2020-21, our Board met 6 (Six) times viz., on 13th June, 2020, 27th June, 2020, 06th August, 2020, 24th September, 2020, 06th November, 2020 and 12th February, 2021.

In addition, a separate meeting of the Independent Directors was held on 23rd February, 2021. The performance evaluation of the Chairman and Non-Executive Independent Directors was carried out by Independent Directors.

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

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 confirmation 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, Mrs. Indra Prem Menon and Mr. C P Rangachar as the Members. While Capt. N S Mohanram, Mr. R Srinivasan, Dr. Premchander and Mrs. Indra Prem Menon are Non-Executive & Independent Directors and Mr. C P Rangachar is an Executive Director.

Further, with effective from 06th November, 2020, Mrs. Indra Prem Menon became member of the Audit Committee.

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, 4 (four) meetings of the Audit Committee were held, the dates being, 27th June, 2020, 06th August, 2020, 06th November, 2020 and 12th February, 2021. The composition of Audit Committee as at 31st March, 2021 and the attendance of the members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Capt. N S Mohanram	4	4
2	Mr. R Srinivasan	4	4
3	Mr. C P Rangachar	4	4
4	Dr. Premchander	4	3
5	Mrs. Indra Prem Menon – Member w.e.f 06.11.2020.	4	1

The Chairman of the Audit Committee, Capt. N S Mohanram was present at the Annual General Meeting held on 24th September, 2020.

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.

The Nomination and Remuneration Committee comprises of three Non-Executive and Independent Directors viz., Mr. R Srinivasan as Chairman and Capt. N S Mohanram and Dr. Premchander as members. During the financial year 2020-21, there were 3 (Three) Nomination and Remuneration Committee meetings held on 27th June, 2020, 06th August, 2020 and 24th September, 2020 and the proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

The attendance of the members at the Nomination & Remuneration Committee Meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. R Srinivasan	3	3
2	Capt. N S Mohanram	3	3
3	Dr. Premchander	3	3

The Chairman of the Nomination and Remuneration Committee Mr. R Srinivasan was present at the Annual General Meeting held on 24th September, 2020.

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.

The Stakeholders Relationship Committee is constituted with Dr. Premchander –Non-Executive & Independent Director as Chairman, Mr. C P Rangachar – Executive Director, Mrs. Vidya Rangachar – Non - Executive Director and Mr. H M Narasinga Rao, CFO & Vice President-Finance as the members and Mr. Vinayak Hegde- Company Secretary of the Company to look into the issues pertaining to share transfers and stakeholders' grievances.

During the year, 1 (One) meeting of the Stakeholders Relationship Committee was held, viz., on 15th February, 2021. The proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

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

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Dr. Premchander	1	1
2	Mr. C P Rangachar	1	1
3	Mrs. Vidya Rangachar	1	1
4	Mr. H M Narasinga Rao	1	1

The Chairman of the Stakeholders Relationship Committee Dr. Premchander was present at the Annual General Meeting held on 24th September, 2020.

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	Non-receipt of securities	-	-	-
3	Non-receipt of Annual reports	-	-	-
4	Complaints from Stock Exchanges / SEBI	-	-	-
	Total	-	-	-

RISK MANAGEMENT COMMITTEE:

Risk Management Committee of the Company is 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. C P Rangachar – Member
3. Mr. A Venkatakrishnan – Member

The Company has in place, a Risk Management framework which aims at monitoring associated practices of the Company for the purpose of identification, evaluation and mitigation of operational, strategic and environmental risks. However, provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Risk Management is not applicable to Company for the FY 2020-21.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") 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. C P 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.

During the year, 1 (one) meeting of the CSR Committee was held on 27th June, 2020. The proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

Company's Corporate Social Responsibility policy is available in Company website in below mentioned link.

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

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 of conduct 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, 2021. A Certificate to this effect, duly signed by the Managing Director is annexed hereto. Code of Conduct of the Company is available in its website:

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

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.

During the year, no complaint of sexual harassment has been received.

SUBSIDIARY COMPANIES:

The Company have following Subsidiaries:

Sl. No.	Name of the Company	Status
1	Grotek Enterprises Private Limited	Wholly owned and Material Subsidiary
2	Coretec Engineering India Private Limited	Wholly owned Subsidiary
3	Yuflow Engineering Private Limited	Wholly owned Subsidiary
4	Kolben Hydraulics Limited	Subsidiary

The Audit Committee reviews financial statements, particularly, the capital investments made by the Company's un-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 or by the subsidiary Companies. The policy relating to Policy-on-Material-Subsidiary-Companies is available in Company website:

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

DISCLOSURES:

(A) Related Party Transactions:

During the financial year 2020-21, besides the transactions reported in Note No. 44 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.

However, all the transactions with related parties were in the ordinary course of business and on arm's length basis. 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. The policy relating to related party transaction is available in Company website:

https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

(B) Disclosure of accounting treatment:

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

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

The Company has not raised any capital during the year ended 31st March, 2021.

(D) 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/payable to the Managing Director, during the year, 2020-21 is as under*. Rs. In lakhs

Name	Salary	Value of Perquisites	Contribution to Provident & Superannuation Fund	Leave encashment	Total
Mr. C P Rangachar	41.28	3.99	12.96	4.00	**62.23**

- *Remuneration 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.
- Commission is the only component of remuneration, which is performance linked and the other components are fixed.
- No Stock Options have been issued to the Independent Directors. The compensation of the Non-Executive Directors 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.

Details of sitting fees and commission payable to Non-Executive Directors for FY 2020-21 are given below:

Amount in Rs.

Sl. No.	Name of the Director	Sitting fees	Commission	Total
1	Mr. Hideharu Nagahisa	64,000	55,250	1,19,250
2	Mr. Hidemi Yasuki	64,000	55,250	1,19,250
3	Mr. Kenichi Takaku	64,000	55,250	1,19,250
4	Capt. N S Mohanram	2,08,000	55,250	2,63,250
5	Mr. R Srinivasan	2,24,000	55,250	2,79,250
6	Dr. Premchander	1,92,000	55,250	2,47,250
7	Mrs. Vidya Rangachar	96,000	55,250	1,51,250
8	Mrs. Indra Prem Menon	48,000	55,250	1,03,250
	Total	9,60,000	4,42,000	14,02,000

All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company; The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.

Mrs. Vidya Rangachar, a Director, holds 16,000 equity shares of Rs. 10/- each in the Company and the Company has paid the rent of Rs. 1.80 lakhs for the year ended 31st March, 2021. There is no notice period and severance pay. No stock options have been issued to any of the Directors.

(E) Management Discussion and Analysis:

The management's discussion and analysis report forms part of the Board's 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, 2021, which is annexed hereto.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Binoy Chacko (CP No. 4221), Partner of M/s. Joseph & Chacko LLP., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory. Copy of Certificate is annexed hereto.

GENERAL BODY MEETINGS:

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

Year	Date & Time	Special Resolution passed	Location
2017-18	04th September 2018 10.00 am	Amendment in Article 4 of Articles of Association of the Company regarding share capital.	Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bengaluru – 560025.
2018-19	03rd September 2019 10.00 am	1. To Re-appoint Capt. N S Mohanram as an Independent, Non - Executive Director of the Company for a term of 3 years. 2. To Re-appoint Mr. R. Srinivasan and Dr. Premchander as an Independent, Non - Executive Director of the Company for a term of 5 years. 3. To approve the payment of remuneration to Non-Executive Directors.	Hotel Ajantha, "Rohini Hall", 22-A, Mahatma Gandhi Road, Near Trinity Metro Station, Bengaluru – 560 001
2019-20	24th September, 2020 10.00 am	1. To Re-appoint Mr. C P Rangachar as the Managing Director of the Company for a period of 5 (Five) years with effect from 01st May, 2020: 2. Approval for the Scheme of Amalgamation of Yuflow Engineering Private Limited (Hereinafter referred to as 'the Transferor Company'), with Yuken India Limited ('Hereinafter referred to as the 'Transferee Company' or 'the Company'):	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").

MEANS OF COMMUNICATION:

The quarterly financial results of the Company were submitted to the Stock Exchanges immediately after the Board's approval, 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: https://www.yukenindia.com/

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

GENERAL SHAREHOLDER INFORMATION:

a. 45th Annual General Meeting	
Day, date and time	**Tuesday, 14th September, 2021 at 10.00 AM (IST)**
Venue	The Company is conducting meeting through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM"). For details please refer to the Notice of this AGM.
b. Financial Calendar	
i) Financial Year	April to March
ii) First Quarter Results	August
iii) Second Quarter Results	November
iv) Third Quarter Results	February
v) Year end Results	May
c. Date of Book Closure	**07th September, 2021 to 14th September, 2021**
d. Proposed Dividend	6% on equity shares
e. Dividend Payment Date	30 days from the date of AGM
f. Listing of Equity Shares	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code: 522108 **Ahmedabad Stock Exchange Limited** Kamadhenu Complex, Opposite - Sahajanand College, Panjarapole, Ahmedabad - 380015. Scrip Code: 68030
g. Listing Fee	Annual listing fee for the financial year 2021-22 paid to the Stock Exchanges.
h. Depository Fee	Annual custody fee for the financial year 2021-22 paid to the depositories.
i. Corporate Identity Number	L29150KA1976PLC003017
j. Details of Registrar and Share Transfer Agents:	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Unit: Yuken India Limited Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Phone: (040) 6716 1508/1592/1509 E Mail Id: Einward.ris@karvy.com Website: https://www.kfintech.com or https://ris.kfintech.com/ Toll free No: - 1- 800-309-4001 & 1800 309 4001

k. Market Price Data:

High – Low market price data during each month in the year 2020-21 at BSE Ltd. is furnished below:

Sl. No.	Month	High	Low
1	APRIL	464.00	306.00
2	MAY	450.95	367.00
3	JUNE	430.00	375.00
4	JULY	524.90	380.05
5	AUGUST	504.95	427.10
6	SEPTEMBER	500.00	402.05
7	OCTOBER	488.90	400.00
8	NOVEMBER	524.75	422.15
9	DECEMBER	519.75	420.20
10	JANUARY	468.00	404.00
11	FEBRUARY	555.00	418.55
12	MARCH	501.95	417.00

Note: There was no trading in the Ahmedabad Stock Exchange Ltd. during the year ended 31st March, 2021 since the stock exchange is under the process of de-recognition.

l. **Share Transfer System:**

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

The Company's Registrar and Share Transfer Agents M/s. KFin Technologies Private Limited, Hyderabad, have adequate infrastructure to process the share transfers/transmission. All transmission received are processed and approved by the Stakeholders Relationship Committee at its meetings. 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, 2021.

m. **Transfer of Shares' into Investor Education and Protection Fund ("IEPF"):**

Pursuant to Sections 124 and 125, and other applicable provisions, if any, of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), came into with effect from September 7, 2016, all unclaimed/ unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, were required to be transferred to Investor Education and Protection Fund (IEPF).

Accordingly, all unclaimed/unpaid dividend, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website www. Iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Shareholders can file only one consolidated claim in a financial year as per the IEPF Rules. The information related unclaimed dividend and shares is available in Company website:

https://www.yukenindia.com/unclaimed-dividend/

n. **Distribution Schedule – Consolidated as on 31.03.2021:**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
0 – 5000	4,747	85.49	6,01,672	60,16,720	5.01
5001 – 10000	319	5.74	2,47,212	24,72,120	2.06
10001 – 20000	230	4.14	3,51,317	35,13,170	2.93
20001 – 30000	68	1.22	1,70,819	17,08,190	1.42
30001 – 40000	37	0.67	1,40,065	14,00,650	1.17
40001 – 50000	15	0.27	69,388	6,93,880	0.58
50001 – 100000	59	1.06	4,23,469	42,34,690	3.53
100001 & Above	78	1.40	99,96,058	9,99,60,580	83.30
Total	**5,553**	**100.00**	**1,20,00,000**	**12,00,00,000**	**100**

o. **Plant location:**

The Company's plants are situated at Bengaluru, Malur, near Bengaluru, Karnataka, Mumbai, Maharashtra and Bahadurgarh, Haryana.

p. Address for Communication:

Registrar & Share Transfer Agents (RTA) (matters relating to Shares, Dividends, Annual Reports)	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Unit: Yuken India Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Phone: (040) 6716 1592/1509/1508 E Mail Id: Einward.ris@karvy.com
For any other general matters or in case of any difficulties/ grievances	Vinayak Hegde Company Secretary & Compliance officer Yuken India Limited PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka, India. PIN – 563130. PH: +91- 9731610341 E-Mail: vinayak.hegde@yukenindia.com yilinfo@yukenindia.com,hmn_rao@yukenindia.com
Website address	www.yukenindia.com
Email ID of Investor Grievances Section	vinayak.hegde@yukenindia.com
Name of the Compliance Officer	Vinayak Hegde – Company Secretary

q. Shareholding Pattern as on 31st March, 2021:

Sl. No.	Category	No. of shares held	Percentage of Shareholding
1	Promoters' holding	63,00,208	52.50
2	Mutual Funds / UTI	2,000	0.02
3	Private Corporate Bodies	15,30,732	12.76
4	Indian Public	38,14,098	31.78
5	HUF	1,85,346	1.54
6	NRIs/OCBs	89,427	0.75
7	Clearing Members	8,795	0.07
8	IEPF	69,394	0.58
	Grand Total	1,20,00,000	100

r. Dematerialization of Shares:

Members are requested to convert their physical holdings demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Shares received for dematerialization are generally confirmed within maximum period of 21 days from the date of receipt, if the documents are clear in all respects. The number of shares held in dematerialized and physical mode as on 31st March, 2021 is as under:

Sl. No.	Description	No of shares issued	% of total capital
1	Held in dematerialized form in National Securities Depository Limited (NSDL)	86,89,707	72.41
2	Held in dematerialized form in Central Depositories Services India Limited (CDSL)	31,30,559	26.09
3	Physical	1,79,734	1.50
	Total	1,20,00,000	100

s. **Credit Rating:**

Company has obtained the Credit Rating Report from CARE Ratings Limited on 01st October, 2020.

The ratings are as under:

Sl. No.	Facilities	Amount (Rs. lakhs)	Rating	Rating Action
1	Long-term Bank Facilities-Cash Credit	1,400	CARE BBB-; Stable (Triple B Minus ; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative) and outlook revised from Negative
2	Short-term Bank Facilities	700	CARE A3 (A Three)	Reaffirmed
	Total Facilities	**2,100**	-	-

The Credit Rating Report is available in Company website:

https://www.yukenindia.com/credit-rating/

t. **Payment to statutory Auditors and all entities in Network Firm:**

1. **To Statutory Auditors:**

During the financial year, payment to statutory Auditors - M/s. Walker Chandiok & Co, LLP, is as under:

a. **Towards Audit Fees:**

Rs. In Lakhs

Sl. No.	Particulars	Amount of Fees paid
1	Statutory audit including Audit of Internal Financial Control	12.00
2	Group Reporting	2.00
3	Quarterly Limited Review Report	9.75
4	Tax Audit	1.00
5	Other Certification Charges	2.56
	Total	**27.31**

Note: above mentioned amounts is excluding necessary taxes/GST.

OTHER DISCLOSURES:

A. **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;** No such cases in last three years.

B. **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee;**

The whistle blower policy is available in Company website:
https://www.yukenindia.com/corporate-governance-and-code-of-conduct/

Further, the Company hereby confirm that no personnel has been denied access to the audit committee.

C. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied the provisions as mentioned in SEBI (LODR) Regulation with respect to preparation of Corporate Governance Report.

D. **Recommendations of Committees of the Board:**

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

STATUS OF COMPLIANCE OF NON-MANDATORY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATION:

1. Audit qualifications:
   There were no qualifications in Auditor's Report, during the year.
2. Reporting of Internal Auditor:
   The Internal Auditor reports directly to the Audit Committee.

DECLARATION ON CODE OF CONDUCT:

To,
The Members of
Yuken India Limited

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

For **Yuken India Limited**

C P Rangachar
Managing Director
(DIN: 00310893)

Place: Bengaluru
Date: 07th June,2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)..

To
The Members of,
Yuken India Limited

NO. 16-C, Doddanekundi Industrial Area II Phase,

Mahadevapura, Bengaluru-560048, Karnataka, India

We have examined the registers, records, forms, returns and disclosures received from the Directors of YUKEN INDIA LIMITED ("the listed entity"), bearing CIN: L29150KA1976PLC003017 having its registered office at No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru, Karnataka- 560048 as produced before us for the purpose of issuing the Certificate under Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

According the information provided to us and to the best of our information we hereby certify that;

1. Following are the details of Directors on the Board of Yuken India Limited.

Sl. No.	DIN	Name of Director	Designation	DIN Status
1	00310893	Rangachar Padmanabhan Cattan Coletore	Managing Director	Approved
2	00043658	Srinivasan Rangarajan	Director	Approved
3	02278652	Premchander	Director	Approved
4	02466671	Needamangalam Srinivasan Mohanram	Director	Approved
5	02612252	Vidya Rangachar	Director	Approved
6	07913414	Hideharu Nagahisa	Director	Approved
7	08494981	Hidemi Yasuki	Director	Approved
8	08678898	Kenichi Takaku	Director	Approved
9	00121917	Indra Menon Prem	Additional Director	Approved

2. We further certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority for the Financial Year ending on 31st March, 2021.

For **Joseph & Chacko LLP,**
Company Secretaries

Binoy Chacko
Partner
FCS No. 4792 / COP No. 4221

Date: 10th April, 2021
Place: Bengaluru

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

To,
The Board of Directors,
Yuken India Limited

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 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 controls 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	C P Rangachar
Place: Bengaluru	Chief Financial Officer&	Chief Executive Officer &
Date: 07th June,2021	VP - Finance	Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Yuken India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 October 2020.

2. We have examined the compliance of conditions of corporate governance by Yuken India Limited ('the Company') for the year ended on 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')..

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

   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.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACY5883

Place: Bengaluru
Date: 07th June, 2021

ANNEXURE -6

BUSINESS RESPONSIBILITY **REPORT (BRR)**

[Pursuant to Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Name of the Company :	YUKEN INDIA LIMITED ("YIL" or "The Company")	
2	Year of registration:	1976	
3	Corporate Identity Number (CIN) of the Company:	L29150KA1976PLC003017	
4	a. Registered office address.	NO. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bengaluru, Karnataka - 560 048 Contact No. 91 97316 10341, Email:hmn_rao@yukenindia.com vinayak.hegde@yukenindia.com Website : https://www.yukenindia.com/	
	b. Corporate office and factory.	PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka – 563 130.	
5	Financial Year reported:	2020-21	
6	Sector (s) the Company is engaged in (industrial activity code-wise)	NIC Code	Name and Description of main products / services
		2812	Hydraulic Pumps, Valves and Others
		2812	Hydraulic Power Units
7	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacture, sale and servicing of hydraulic equipment 1. Hydraulic Pumps 2. Valves 3. Hydraulic Power Units (Please refer to Company's website for complete list of products)	
8	Brands (top five by respective share of market) owned and percentage of revenue contributed:	Most the products of the Company are being sold under YUKEN brand. Certain indigenous (local) developed and manufactured products also sold under YIL Brand.	

Operations:		
9	Location of plants (in case of manufacturing businesses) a. National (Districts and states - top five by employee strength):	**Number of National Locations:** **A. Manufacturing Plants:** 1. **Malur – Near Bengaluru:** PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District – 563 130, Karnataka. 2. **Peenya – Bengaluru:** B-80, 2nd Cross, 1st Stage, Peenya Industrial Area, Bengaluru – 560 058, Karnataka. 3. **Bahadurgarh – Haryana:** O-10, Old Industrial Area, Near Civil Hospital, Bahadurgarh-124 507 – Haryana. 4. **Mumbai –Maharashtra:** H-4, Ansa Industrial Premises, Sakivihar Road, Sakinaka, Andheri (E), Mumbai- 400 072, Maharashtra. **B. Zonal Sales and Service Offices:** 1. **North Zone – New Delhi:** No. 26A, Community Center, Phase 1, Mayapuri Indl. Area, New Delhi- 110 064. 2. **South Zone- Bengaluru:** B-80, 2nd Cross, 1st Stage, Peenya Industrial Area, Bengaluru – 560 058, Karnataka. 3. **East Zone – Kolkata:** Indraprastha, 46A, Madan Mohan Malaviya Sarani, (Formerly Chakraberia Road- North) Kolkata- 700 020, West Bengal. 4. **West Zone – Mumbai** H-4, Ansa Industrial Premises, Sakivihar Road, Sakinaka, Andheri(E), Mumbai- 400 072, Maharashtra.
	b. International (Country - top three by employee)	NIL
10	Location of major offices (in case of service businesses): a. National (Districts and states - top five by employee strength): b. International (Country - top three by employee strength):	Not Applicable.
Employees:		
11	Number of permanent employees.	317
12	Contractual employees (seasonal, non-seasonal)	163
13	Temporary employees	
14	Percentage of women employees	4.10%
	a. On the Governance Structure:	NIL
	b. In top management i.e. business and function heads	NIL
15	Number of permanent women employees	13

16	Number of permanent employees with disabilities.	1
17	Do you have an employee association that is recognized by management?	Yes The Company has Trade Union, affiliated to Centre of Indian Trade Unions (CITU), representing the interest and welfare of all union employees.
18	What percentage of your permanent employees is members of this recognized employee association?	19% of permanent Employees.
Associate entities:		
15	Name of subsidiaries / associates	**A. Name of subsidiaries:** 1. Grotek Enterprises Private Limited 2. Coretec Engineering India Private Limited 3. Yuflow Engineering Private Limited 4. Kolben Hydraulics Limited **B. Name of Associates:** 1. Sai India Limited 2. Bourton Consulting (India) Private Limited
16	Details of Trust/Society/Section 8 Company to further its CSR agenda: a. Name; b. Organization form (Trust, Society, Company) and year of establishment; c. Main objects/purpose	Not Applicable
17	Contact details of Nodal Officer for this report.	Vinayak Hegde -Company Secretary PH: +91 97316 10341 E mail: vinayak.hegde@yukenindia.com

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Rs. in lakhs

1	Paid up Capital (INR)	1200.00
2	Total Income (INR)	19,361.68
3	Total profit after taxes (INR)	728.00
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of average net profits of the Company made during the three immediately preceding financial years. Please refer to Annexure- 3 part of the Board's Report.
5	List of activities in which expenditure in 4 above has been incurred: -	(a) Promotion of Education (b) Protection of Indian Art & Culture (c) Setting up old age homes, day care centres and such other facilities for senior citizens. d) Contribution for Social Cause- Covid -19 Pandemic Relief. (e) Animal Welfare (f) Eradicating hunger, poverty. Please Refer to Annexure - 3 part of the Board's Report.

SECTION C: OTHER DETAILS

1	Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	Yes. The Company positively influences and encourages its subsidiaries to adopt Business Responsibility Initiatives. All the Company's subsidiaries are guided to conduct their business in an ethical, transparent and accountable manner.
2	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers/distributors to participate in the Company's Business Responsibility initiatives. However, they are encouraged to adopt such practice and follow the concept of being a responsible business entity. (Less than 30%)

SECTION D: BUSINESS RESPONSIBILITY INFORMATION:

1. Details of Director/Directors responsible for Business Responsibility Report:

Sl. No.	Particulars	Director	Business Responsibility Head
1	DIN	00310893	-
2	Name	C P Rangachar	A Venkatakrishnan
3	Designation	Managing Director	Chief Executive officer
4	Telephone	+91 97316 10341	+91 95919 98141
5	Email Id:	cp_rangachar@yukenindia.com	venkatakrishnan@yukenindia.com

2. Principle-wise (as per NVGs) Business Responsibility Policy/ policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) provide the following 9 (Nine) principles:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the wellbeing of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Business should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	YES	YES	YES	YES	YES	YES	YES	YES	YES
2	Has the policy being formulated in consultation with the relevant stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	YES	YES	YES	YES	YES	YES	YES	YES	YES
		An ISO 9001:2015 Company All the policies of the Company are in compliance with national/International standards wherever applicable.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Mandatory policies viz., Code of Conduct, Whistle Blower Policy, CSR Policy, Insider Trading Policy, Nomination & Remuneration Policy have been adopted by the board and other internal policies have been approved by the management.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		The implementation and adherence to the code of conduct for employees is administered by the HR Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013 and other internal policies have been approved by the Management.								
6	Indicate the link for the policy to be viewed online?	Refer to the Whistleblower Policy, Code of Conduct.	NA	Refer to the Code of Conduct	Refer to the CSR Policy	Refer to the Code of Conduct	Refer to the CSR Policy	NA	Refer to the CSR Policy	NA
		Please refer our website https://www.yukenindia.com/corporate-governance-and-code-of-conduct/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		Internal policies have been communicated to all stakeholders to the extent applicable and the same are available on the Company's website. https://www.yukenindia.com/corporate-governance-and-code-of-conduct/								
8	Does the Company have in-house structure to implement the policy/ policies.	YES	YES	YES	YES	YES	YES	YES	YES	YES
		Company have in-house structure to implement the policy/ policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	YES	YES	YES	YES	YES	YES	YES	YES	YES
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		The organization conducts periodic internal audits to determine whether the Quality Management System conforms to the requirements of ISO 9001:2015 and that the quality system has been effectively implemented and maintained.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility Report:

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Managing Director and Senior Management reviews the Business Responsibility performance of the Company through their monthly review meetings. The action point emerged from the discussions at these meetings are reviewed in subsequent meetings.

The Board of Directors, committees of the Board, and the Managing Director assess the Business Responsibility performance of the Company from time to time.

Corporate Social Responsibility (CSR) Committee of the Company is responsible for formulating and implementing and monitoring the CSR Policy of the Company. The Committee meets at least once in a year to review the progress of CSR Policy and projects.

(b) **Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Report published as part of the Annual Report for the financial year 2020-21. The web link is as under;

https://www.yukenindia.com/report-result/

SECTION E: PRINCIPLE-WISE PERFORMANCE:

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes

   The Company acts with integrity in accordance with its core principles of Trust, Value and Service. YIL has adopted the separate code of conduct which specifically pertains to the Company's Directors, Senior Management- one level below the Directors and including all the functional heads.

   Our corporate governance practices apply across the YIL and its subsidiaries and extend to our Associates, Suppliers, Customers and other stakeholders. Our Code of Conduct complies with the requirements of applicable laws and regulations, the code of conduct is devised to enable the Directors and Senior Management personnel to strive and to perform their duties with highest standards of integrity accountability, confidentiality and independence. A declaration of the Directors and Senior Management towards annual affirmation to the code of conduct is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

   YIL has a well-defined Code of Conduct (CoC) for its employees. All employees are provided a copy of the COC during induction / training. The COC is intended to guide the employees in treatment of each other, as well as their interaction with customers, suppliers, partners, public officials and other stakeholders.

   YIL is also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices which is not in line with the CoC. The CoC, Whistle Blower Policy and their implementation are explained in detail under the Report of Board of Directors and the Corporate Governance Report.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

During the year under review, the Company has not received any complaints with respect to violation of the Code of Conduct.

PRINCIPLE 2:
BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) Kiriko Automatic Chip Compactor Machine:
   YIL manufactures the Kiriko Automatic Chip Compactor Machine, which is a metal chip briquette machine. it processes all kind of ferrous and Non-ferrous scraps. Benefits of this machine are as under:

   - This significantly reduces impact on environment and supports Green Manufacturing.
   - Reduction of accidents in the factory leading to increase in productivity and reduces power consumption.
   - Fumes & Blasts are reduced in the factory premises.

   (b) Power Saver Valves:
   YIL manufactures the series of solenoid operated directional Power Saver Valves. These valves are specially designed to reduce power consumption. Standard Valves installed in machines can be retrofitted with interchangeable adapters and are designed to automatically reduce the power drawn by the valve solenoid.

   (c) AC Servo Motor Driven Pump:
   YIL promoting and supplying the series of Electro-Hydraulic Hybrid Pumps. We are a leading supplier of hydraulic products for injection moulding machine. It has strength from both full electric and hydraulic machine, having excellent effect to "energy saving", "high performance" and "high precision moulding". The ultimate control system for injection moulding machine. In addition to our ASR3, ASR5 &ASR 10, we proudly announce new AC servo motor driven pump, ASE3, ASE5 & ASE10 in the series that is based on an original idea of Yuken Kogyo Company Limited, Japan. Benefits are as under:

   - Low noise- meeting the level of noise as per the standard requirements.
   - Reduces electrical noise by using environmentally friendly EMC filter.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
   We regularly focus on reduction and control the wastage of resources.

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Yes. Power saver valves and servo motors can absorb many fluctuations of electrical and environmental parameters, to reduce the power consumptions.

3. **Does the Company have procedures in place for sustainable sourcing (including and transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   - Yes. The Company has taken initiatives to ensure sustainable sourcing.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company encourages major suppliers to set up manufacturing facilities closer to YIL plant locations. The Company is close to industrial areas, where small and medium manufacturers situated.

   YIL focuses on building and enhancing capabilities of the supply chain through training and support for improving productivity and quality. The training covers quality management, technology adoption, effective supply etc. YIL is conducting Cluster program to its selected vendors. Cluster Program is conducted by Confederation of Indian Industry (CII), which aims at (a) improving the quality of products, supplied by the selected vendors in terms of Defects Per Unit (DPU) or Parts Per Million (PPM) and (b) Achieve the THIRD STEP- 3S (5 S methodology) on the shop floor.

   Currently, YIL is buying around 40%- 50% of its requirements through local sources/MSME Vendors and smaller manufacturers.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   Products - Scraps:

   The Company has adopted the policy for recycling the iron scrap. One of our subsidiary Company engaged in foundry business uses the scrap generated, in the manufacture of iron castings. (90%)

Waste:

1. The Company has appointed authorized Agencies for disposal of Industrial waste. (100%)
2. The Company has installed Kiriko Chip Compact Machine in premises to compact the metal scrap (overall 80%)
3. Constructed the Sewage treatment plant for the purpose of waste water treatment and recycled water is used for gardening in the factory premises. (overall 80%)
4. The Company is using the recyclable packing materials. (overall 50%)
5. Recycling the canteen food waste and convert to compost. (100%)
6. Constructed the effluent treatment plant to clean the industrial effluents. (80%)

PRINCIPLE 3:
BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES:

YIL's well-being strategy aims to create a working environment that is supportive of employees' personal lives, while meeting your Company's business needs. YIL gives top priority for the employees to ensure their safety and welfare measures. The Company adopted various policies and measures to ensure the same.

Safety of the employees is considered in the plant. Safety instructions are developed and displayed in the prominent places and awareness training is given to all employees.

The Company regularly conducts safety audits through internal team as well as external agencies / authorities and organizes safety awareness programme. Apart from this, the Company celebrate National Safety Week, Global Safety Day etc.

Responding to the Pandemic Crisis:

Health & Hygiene:

Hygiene and disinfection protocols based on guidance from health authorities were adopted. Some of these safety measures included:

- Checking body temperatures and other symptoms of COVID-19.
- Screening of every person entering the factory.
- Disinfecting all vehicles coming into and leaving the factory.
- Distribution of mask and sanitizers.
- Free Vaccination to Employees.

Safety and health of employees and stakeholders:

Safety of our people is of paramount importance to us. For the team members whose work could be conducted remotely, work from home (WFH) facilities were made available during pandemic. Our team members have adapted to the new normal and WFH situation well and worked productively and effectively. For employees who had to be on-site, stringent social distancing, hygiene and disinfection protocols based on guidance from health authorities were adopted.

The following facilities are provided to the Company's employees-

- Subsidized foods which includes breakfast, lunch, snacks and tea.
- Subsidized transportation to commute from residence to factory.
- Uniform and shoe allowances.
- Extended health insurance policy coverage for the benefit of the employees and their family members.
- Superannuation Trust created for the purpose of retirement benefits.
- Training to all the employees on rotational basis to equip them and deliver the best.
- Adopted systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities..
- Education subsidies, emergency advances, Festival advances and Vehicle Advances to employees.
- Annual health check-up of employees.

1. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   The Company's policy prohibits engaging of any child labour or involuntary labour. So, there are no complaints relating to child labour, forced labour and involuntary labour. During the year no complaints relating to Sexual harassment were reported.

2. **What percentage of your mentioned employees were given safety & skill up- gradation training in the last year?**
   - All Employees undergo safety and skill up-gradation training on regular basis as per the training calendar.
   - The Company is providing mandatory training to employees at the time of induction/joining.
   - The Company is providing skill upgradation training under National Employment Enhancement Mission (NEEM) and Gram Tarang Employability Training.

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED:

1. **Has the Company mapped its internal and external stakeholders?**

   The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, bankers, government, regulatory authorities, trade union and local community.

   To shareholders investors, Bankers:

   YIL regularly interacts with its shareholder, investors, Bankers through results announcements, annual report, Company's website and subject-specific communications. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied matters.

   YIL has a designated e-mail address for shareholders. The Investor Services Department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matter.

   To Government:

   The Company co-operates and engages with governments, regulators and legislators, both directly and through trade associations, in the development of proposed legislation and regulation which may affect your business interests.

   To Customers:

   To interact directly with customers, YIL has Zonal sales offices located across India namely, North Zone – New Delhi, South Zone- Bengaluru, East Zone – Kolkata and West Zone – Mumbai. Also our service offices are located at Hyderabad, Chennai, Ahmedabad and Pune. We have a network of around 58 distributors all over the country. Our Service engineers are available throughout the India and interacts regularly with customers by collecting their complaints, feedbacks with respect to products, thereby improving our product quality and services.

   The Company's distributors are located all over India. Customers also interacts with distributors for any information about the products, complaints and any other necessary information. Our sales and Marketing team directly contact with distributors and resolve the customer issues. The Company is conducting a Dealer conference once in a year. In that conference the Marketing Team will discuss about demand and supply of our products, customer satisfactions, improvements required, complaints and feedback from customers, market situations and other such necessary information. The Company is also participating in industrial Trade shows and Exhibitions throughout the year. this is also an opportunity for the Company' s Management to interacts with end user of the products.

   Needs and expectations of the customers are determined on a continuous basis. They are converted to requirements of the organization. These identified customer requirements are then conveyed to the respective departments and personnel to ensure the achievement of customer satisfaction. This is done by first laying down a suitable system and later reviewing the same in the light of changing customer requirements with the aim of enhancing customer satisfaction. The In-charge of Marketing and sales exercises control on this.

   The management demonstrates leadership and commitment with respect to customer focus by ensuring,

   - Applicable statutory and regulatory requirements are determined, understood and consistently met.
   - The risks and opportunities that can affect conformity of products and the ability to enhance customer satisfaction are addressed and determined.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   No such cases.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   No such cases.

PRINCIPLE 5:

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS:

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   - The Company does not have a separate Human Rights Policy. Code of conduct and Standing Order of the Company will cover the rights and responsibilities of all the employees.
   - The Company has a Registered Employee Union to protect the rights of the Employees.
   - The Company has Separate Committee and policy with respect to Prevention of Sexual Harassment of woman in work place. The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the

Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. As required under law, an internal Compliance Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
During the year under review, the Company has not received any complaint from any stakeholders except shareholders and customers of the Company. Shareholders Complaints received during the year was reported to stock exchange and also available in the Corporate Governance Report which is part of Annual Report. Complaints received from customers is resolved by the Marketing team on regular basis.

PRINCIPLE 6:

BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT:

1. **Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?**
   - The Company does not have a separate environmental Policy. It is a part of Corporate Social Responsibility (CSR) policy which ensures environmental sustainability and ecological balance.
   - Further, to conserve the natural resource water in our Malur Plant, we have adopted the rain water harvesting. Further in order to increase the water resources, we have planted different types of trees surrounding the plant.
   - The Company is recycling and disposes the waste generated during the course of manufacturing operations in an environmentally and friendly manner.
   - Reduction in total energy footprint through various capital projects ranging from installation of energy efficient pumps, solar street lights in pavement and near the shop floors.
   - The Company has constructed the Sewage Treatment Plant and Effluent treatment plant in Factory for waste water treatment. The recycled water is used for the purpose of gardening in the factory premises.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
No. The hydraulic equipment manufactured by YIL conforms to standards of environmental safety, in respect of pollution, noise and and material conservation. The advanced design and performance of YIL products results in high productivity and efficiency.

3. **Does the Company identify and assess potential environmental risks?**
Yes. The Company has identified and assessed potential environmental risks from time to time. Manufacture of products to customer requirements including performance, safety compliance to statutory and other regulatory aspects, Conservation of Energy, Materials and Environment Protection.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   - Currently, The Company does not have any project related to Clean Development Mechanism.
   - The Company periodically files returns to Pollution control board as per the statutory requirement.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**
The Company always focusses on technology with respect to developing products with fuel efficient and environment friendly. The initiatives under taken by the Company for clean technology, energy efficiency, and renewable energy are as under:
   - The Company has separate Research and Development (R&D) and New Product Development Department which always focusses on clean technology, energy efficiency and renewable energy.
   - Variable frequency Drive is used in the machinery wherever possible and reduce the power consumption.
   - Recycling of stansol oil and adopted centralized cooling system to control the usage and wastage of oil in manufacturing process.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
Yes. All parameters of wastage/emission/pollution generated by the Company conform to the prescribed norms as per the state Pollution Board and other appropriate Government authorities.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
Nil. No show cause notices have been issued by the concerned Government authorities/Pollution Boards.

PRINCIPLE 7:

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER:

1. Is your Company a member of any trade and chamber or association?

   Yes. The Company's Membership details are as under:

   (a) Confederation of Indian Industry (CII)

   (b) Indian Machine Tool Manufactures Association (IMTMA)

   (c) All India Plastic Manufacture Association(AIPMA)

   (d) Federation of Karnataka Chambers of Commerce & Industry (FKCCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas:

   The Company through various industry associations, participates in advocating matters relating to advancement of Industry and public good.

PRINCIPLE 8:

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:

1. Does the Company have specified programmers/initiatives/projects in pursuit of the policy related to Principle 8?

   Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in Annexure - 3 part of the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Yuken Hydraulic School: The Company has established Hydraulic Training School in Peenya, Bengaluru. Yuken Hydraulic School as a medium through which we share complete knowledge of our experience in Hydraulic products, application engineering, maintenance and troubleshooting of hydraulic systems with our customers. The Company has trained more than 17,000 engineers across the industry in India and approx. 12 countries globally. All the participants and their respective organizations have benefited at the most through attending and learning from our hydraulics courses. YIL is conducting hydraulic training classes periodically to its customers and also to the employees

   Details of our Hydraulic School information is available in our website https://www.yukenindia.com/hydraulicstraining/

   Employees of the Company regularly attends the training programs conducted by Confederation of Indian Industry (CII) and Indian Machine Tool Manufactures Association (IMTMA).

3. Have you done any impact assessment of your initiative?

   Yes. Our Hydraulic training school provides education and training to young Engineering Graduates who choose to develop career in Hydraulics manufacturing sector.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   Through Corporate Social Responsibility (CSR) activity, the Company has spent money for community development projects.

   During the financial year 2020-21, the Company spent Rs. 16.26 lakhs towards CSR initiatives. Details of the projects are available in Annexure 3 part of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   - Yes. The Company has focused on Promotion of Education, Protection of Indian Art & Culture and ensuring environmental sustainability, ecological balance.

   - Yuken India Hydraulic School aims to inspire, educate and equip the young engineers providing the education, training and complete knowledge of experience, Hydraulic products and application engineering etc.

PRINCIPLE 9:

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   Customer complaints:

   The Company is engaged in the business of design, manufacture, sale and servicing of hydraulic equipment like pumps, valves, power packs, machinery, components and accessories for various applications. Our Service engineers are available throughout the country where they interacts with customers and collects their complaints with respect to products and resolve the same. And also collect the feedback, which has influence over its product and service improvements.

   As one of the measurements of the performance of the Quality Management System the organization monitors information relating to customer perception as to whether the organization has met customer requirement. The method for obtaining and using this information is through customer satisfaction questionnaire. Also each and every complaint of the customer with respect to the product and services are analyzed and actions initiated as the case maybe and feedback given to the customer. Customer feedback on the delivered products and services and registered through FIR, service tracker and are monitored, acted upon for each and every case

Consumer cases: there is no consumer cases filed or pending during the financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   The Company provides the important information about products to the customers on timely basis. Necessary technical information and product usage instructions are provided to every customer on purchase.

   For grievance handling, the Company has provided dedicated contact number in companies Website

   https://www.yukenindia.com/contact-us/ where customers can contact.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There have been no cases relating to unfair trade practices, irresponsible advertising and / or anti-competitive behavior against YIL in the last five years.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company regularly obtains feedback from consumers on areas of satisfaction & similarly on their concerns or areas of dis-satisfactions. Senior management actively reviews customer feedback and suggests corrective and/or preventive action as required.

Note: The Company is an ISO 9001-2015 certified Company. The Company has detailed quality manual/policy manual to meet the requirements of ISO 9001: 2015 quality management system. Majority principles of Business responsibility statements are covered in Company Quality Manual.

Standalone Financial Statements

Independent Auditors' Report

To the Members of Yuken India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Yuken India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter –Impact of COVID-19

4. We draw attention to Note 1 to the accompanying standalone financial statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management evaluation of the same on the business operations of the Company. In view of these uncertainties, the impact on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Impairment assessment of investments in subsidiary company.. As described in Note 6 to the standalone financial statements, as at 31 March 2021, the Company has an investment aggregating to ₹264.60 lakhs in its wholly owned subsidiary company, Yuflow Engineering Private Limited. The subsidiary has been incurring losses, resulting in possible impairment indicators. In view of the above, the management of the Company, during the year ended 31 March 2021, has carried out an impairment test for such investments, whereby the carrying amount of the investment was compared with their fair value for which the management had prepared detailed cash flow projections, based on business plans of the subsidiary company, expected growth rates in the business and other market related factors including the discount rates, etc. .	**Our audit procedures included, but were not limited to, the following:** • We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing. • We understood, evaluated and tested controls around management's assessment of the impairment indicators and the testing performed. • We reconciled the cash flow projections to the business plans approved by the Company's board of directors; • We challenged the management on the underlying assumptions used for the cash flow projections including the expected growth rates, considering evidence available to support these assumptions and our understanding of the business;

The key audit matter	How the matter was addressed in our audit
Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such non-current investments as a key audit matter.	• We assessed the reasonableness of the assumptions used and tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; • Assessing the appropriateness of the methodology applied in determining the recoverable amount; • We evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculation; • We assessed the appropriateness and adequacy of the disclosures made by the management for the impairment losses in accordance with applicable accounting standards.
Revenue recognition We refer to the Company's significant accounting policies in Note 2 and the revenue related disclosure in Note 24 and Note 45 of the standalone financial statements. Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations. Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers and also, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence we have assessed revenue recognition as a key audit matter.	Our audit procedures included, but were not limited to, the following: • assessed the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); • assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; • scrutinized sales ledgers to verify completeness of sales transactions; • on a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries (as the case may be), and approved incentives/discounts schemes; • tested the appropriateness of accruals for various rebates and discounts as at the year-end; • assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; • circularized the balance confirmation for samples of customers and reviewing the reconciling items, if any; • tested the related disclosures made in notes to the standalone financial statements in respect of the revenue from operations.

Information other than the Standalone Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

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

18. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 07 June 2021 as per Annexure II expressed an unmodified opinion;

    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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in Note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACV8119

Bengaluru
07 June 2021

Annexure I to the Independent Auditor's Report of even date to the members of Yuken India Limited, on the standalone financial statements for the year ended 31 March 2021

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete..

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (in ₹ lakhs)	Amount paid Under Protest (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	19.10	-	AY 2009-10	Income Tax Appellate Tribunal
	Income Tax	4.37	-	AY 2011-12	Assessing Officer
	Income Tax	10.83	-	AY 2012-13	Assessing Officer (Post remand back by ITAT)
	Income Tax	16.26	-	AY 2014-15	Commissioner of Income Tax Appeals

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures loans or borrowings from financial institution or government and during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACV8119

Bengaluru
07 June 2021

Annexure II to the Independent Auditor's Report of even date to the members of Yuken India Limited on the standalone financial statements for the year ended 31 March 2021

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Yuken India Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

5. 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACV8119

Bengaluru
07 June 2021

YUKEN

Standalone Balance Sheet as at 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,092.15	6,733.57
Right-of-use assets	5	53.54	70.93
Capital work in progress		998.28	1,105.87
Other intangible assets	4	411.22	227.74
Financial assets			
(i) Investments	6	1,277.36	1,277.36
(ii) Loans	7	0.59	1.22
(iii) Other financial assets	10	69.67	61.13
Deferred tax asset	40	17.25	121.82
Other non-financial assets	12	413.39	250.63
		10,333.45	**9,850.27**
Current assets			
Inventories	13	17,737.71	17,409.67
Financial assets			
(i) Trade receivables	14	8,834.47	7,184.07
(ii) Cash and cash equivalents	8	544.10	70.75
(iii) Bank balances other than cash and cash equivalents	9	64.18	66.48
(iv) Loans	7	4.54	4.49
(v) Other financial assets	10	456.33	345.18
Current tax assets	11	296.37	177.36
Other non-financial assets	12	2,849.28	2,422.65
		30,786.98	**27,680.65**
TOTAL ASSETS		**41,120.43**	**37,530.92**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,200.00	1,200.00
Other equity	16	17,690.57	17,034.57
		18,890.57	**18,234.57**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	807.50	1,635.55
(ii) Lease liabilities	18	40.75	57.72
(iii) Other financial liabilities	19	438.57	706.41
Provisions	20	187.40	161.22
Deferred tax liabilities (net)	40	241.07	183.13
Other non-financial liabilities	23	63.36	188.84
		1,778.65	**2,932.87**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	6,424.59	7,397.95
(ii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		206.73	166.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,778.17	2,368.86
(iii) Lease liabilities	18	16.96	15.48
(iv) Other financial liabilities	19	2,207.99	2,224.14
Provisions	20	294.63	298.52
Current tax liabilities(net)	22	42.01	0.15
Other non-financial liabilities	23	7,480.13	3,892.14
		20,451.21	**16,363.48**
TOTAL EQUITY AND LIABILITIES		**41,120.43**	**37,530.92**

See accompanying notes (1-49) forming part of these financial statements..

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Standalone Statement of Profit and Loss for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	24	18,336.07	20,374.65
Other income	25	1,025.61	414.87
		19,361.68	**20,789.52**
Expenses			
Cost of materials consumed	26	8,649.08	9,940.11
Purchases of stock-in-trade	27	1,324.40	929.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	65.60	76.23
Employee benefits expense	29	2,801.34	3,044.91
Finance costs	30	814.76	917.95
Depreciation and amortisation expense	31	483.29	426.65
Other expenses	32	4,263.99	5,037.04
		18,402.46	**20,372.18**
Net profit before tax		**959.22**	**417.34**
Tax expense/(benefit):	40		
Current tax		151.98	70.06
MAT credit entitlement		-	(5.81)
Tax reversal for prior periods		(10.62)	(270.27)
MAT credit entitlement of prior periods		-	(18.12)
Deferred tax charge		66.81	44.58
Total tax expense/(benefit)		**208.17**	**(179.56)**
Profit after tax		**751.05**	**596.90**
Other comprehensive income			
Items that will not be reclassified to profit / (loss)			
Remeasurement (gains)/losses on defined benefit plans		31.93	29.57
Income tax effect		(8.88)	(5.92)
Other comprehensive income for the year		**23.05**	**23.65**
Total comprehensive income for the year		**728.00**	**573.25**
Earnings per equity share :			
Basic and diluted	34	6.26	4.97

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Standalone Statement of Cash Flows for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	**959.22**	**417.34**
Adjustments for:		
Depreciation and amortisation	465.90	410.73
Depreciation on right of use assets	17.39	15.92
Gain on forward contract mark to market measurement	-	(2.40)
Net unrealised exchange loss/(gain)	(9.58)	34.55
Interest expense	638.95	854.68
Provision for doubtful trade receivables	152.00	62.00
Bad trade and other receivables written off	62.65	34.27
Interest income	(9.16)	(27.40)
Guarantee commission income	(58.58)	(12.81)
Net (income)/expense on discounting of deposits	50.32	(3.39)
(Profit)/loss on sale of assets or scrapping of assets(net)	(588.29)	6.90
Dividend income	-	(0.06)
Liabilities / provisions no longer required written back	(97.42)	(35.55)
Operating profit before working capital changes	**1,583.40**	**1,754.78**
Movements in working capital		
(Increase)/decrease in inventories	(328.04)	138.93
(Increase)/decrease in trade receivables	(1,812.36)	1,103.32
Decrease in loans	0.58	266.97
(Increase) in other financial assets	(115.37)	(84.52)
(Increase) in other assets	(422.77)	(858.58)
Increase/(decrease) in trade payables	1,503.56	(2,449.38)
Increase/(decrease) in other financial liabilities	160.63	(29.73)
(Decrease)/Increase in provisions	(9.64)	31.94
Increase/(decrease) in non-financial liabilities	230.99	(171.29)
Cash generated from operations	**790.98**	**(297.56)**
Net income tax (paid)	(100.38)	(269.48)
Net cash generated / (used in) from operating activities (A)	**690.60**	**(567.04)**
B. Cash flow from investing activities		
Purchase of property,plant and equipment including capital advances	(1,148.53)	(1,670.36)
Proceeds from sale of property,plant and equipment.	703.16	13.82
Bank balance not considered as cash and cash equivalent	2.30	(14.88)
Investment in Subsidiaries/associates	-	(339.75)
Advance received on account of joint development of property	3,306.05	2,628.30
Security Deposit recovery on account of joint development of property	(450.00)	-
Interest received	4.84	24.48
Dividend received	-	0.06
Net cash generated from Investing activities (B)	**2,417.82**	**641.67**

Standalone Statement of Cash Flows for the year ended 31 March 2021 (Contd.)

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2021	Year ended 31 March 2020
C. Cash flow from financing activities		
Proceeds from Long term borrowings	-	1,500.00
Repayment of Long term borrowings	(929.20)	(531.70)
Net Increase in working capital borrowings	(973.36)	53.76
Repayment of principal amount on lease liability	(15.48)	(13.66)
Repayment of interest amount on lease liability	(6.09)	(6.12)
Interest expense paid	(639.72)	(787.08)
Dividend paid including dividend distribution tax and unclaimed dividend	(71.76)	(288.38)
Net cash used in financing activities (C)	**(2,635.61)**	**(73.18)**
Net increase in cash and cash equivalents (A + B + C)	**472.81**	**1.45**
Cash and cash equivalents at the beginning of the year	70.75	68.94
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.54	0.36
Cash and cash equivalents at the end of the year	**544.10**	**70.75**
Cash and cash equivalents as per Note 8	**544.10**	**70.75**

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

YUKEN

Standalone Statement of Changes in Equity for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
As at 01 April 2019	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2021	120.00	1,200.00

B. Other Equity

	General reserve	Retained earnings	Total
Balance as at 01 April 2019	559.58	16,191.07	16,750.65
Additions during the year			
Profit for the year	-	596.90	596.90
Items of the other comprehensive income, net of tax			
Remeasurement gains/(losses) on defined benefit plans	-	(23.65)	(23.65)
Reductions during the year:			
Dividends and tax on dividend	-	(289.33)	(289.33)
Balance as at 31 March 2020	559.58	16,474.99	17,034.57
Additions during the year			
Profit for the year	-	751.05	751.05
Items of the other comprehensive income, net of tax			
Remeasurement gains/(losses) on defined benefit plans	-	(23.05)	(23.05)
Reductions during the year:			
Dividends paid	-	(72.00)	(72.00)
Balance as at 31 March 2021	559.58	17,130.99	17,690.57

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Statement of Change in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 1

General Information

Yuken India Limited was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt),Peenya Industrial Area, Bengaluru and Haryana. Sales and distribution network is spread across India. The Company is amongst the most preferred source of supply by most of the original equipment manufacturers in India. The Company manufactures a 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. The Company is listed on the Bombay Stock Exchange.

Assessment of the impact of COVID-19 pandemic on the operations of the Company

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11 March 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23 March 2020 due to which the Company suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations by way of supply chain disruptions, closure of customers' site, suspension of travel and unavailability of personnel during the lockdown period.

The Central and State Governments have initiated steps to lift the lockdown and the Company will adhere to the same as it resumes its activities. The Company has resumed operations in a phased manner from third week of May 2020 following safety standards and protocols in accordance with government guidelines issued from time to time. With the unlocking of restrictions, the Company's production plants has opened, and business is expected to gradually improve. During the second half of the year, the Company witnessed some signs of recovery of demand. Whilst there has been a second wave of the COVID-19 pandemic in the last few months where the Company operates, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including Property, plant and equipment, Capital work-in-progress, intangible assets, investments, trade receivables and inventories). In developing the assumptions relating to the possible future uncertainties in the domestic/ global economic conditions because of the pandemic, the Company has, as at the date of approval of these standalone financial statements, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. The actual impact of the pandemic may be different from that estimated as at the date of these standalone financial statements and the Company will continue to monitor any material changes to future economic conditions.

Note 2

Summary of significant accounting policies

(a) Statement of compliance

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on 7 June 2021.

(b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its standalone financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in

Equity for the year ended 31 March 2021, and accounting policies and other explanatory information (together hereinafter referred to as "standalone financial statements").

The standalone financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(c) Use of estimates

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the standalone financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the likely impact of COVID-19 on the overall business of the Company. The Company as at the date of the approval of these standalone financial statements, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's standalone financial statements may differ from the estimate as on the date of the approval of the standalone financial statements.

Expected credit loss

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with. In calculating the expected credit loss, the Company has also considered the related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19 using the forward looking approach prescribed by Ind AS 109..

Impact on revenue

The Company has re-evaluated the probable revenues from customers to assess any probable decrease in revenue due to economic stress caused by COVID-19. Accordingly, it is the opinion of the Company that the customers could re-prioritise their discretionary spend in the immediate future to conserve resources. The impact of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Impact on investments and long lived assets

The Company has considered all internal and external information including credit reports and economic outlook to evaluate the recoverability of investments and long lived assets. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these investments and long-lived assets will be recovered.

Classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset taking in to account the location of the underlying asset and the availability of suitable alternatives.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provision for warranty

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months..

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

'The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment and Electrical installations*	21
Computer equipment*	6

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

*Based on an internal assessment, the management believes that the useful lives as given above represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

(f) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company amortises intangible over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Asset Category	Useful lives (in years)
ERP software	5
Intellectual property	5

(g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(h) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from Contracts is measured at transaction price net of variable consideration. Transaction price are net of returns, trade allowances, rebates, other similar allowances, goods and services tax and amounts collected on behalf of third parties, if any.

Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation), generally on dispatch of the goods. The Company collects Goods and Services Tax ('GST') / Value Added Tax ('VAT') / Service Tax on behalf of the Government and, therefore, these are not economic benefits flowing to the Company and hence, they are excluded from revenue.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(i) Sale of developmental rights under Joint Development Agreement

For projects executed through joint development arrangements, wherein the Company provides land and the Developer undertakes to develop properties on such land and in lieu of the Company providing land, the Developer has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from sale of developmental rights is being accounted on a gross basis when the developmental rights are transferred. The revenue is measured at the estimated standalone selling prices of the residential units that will be received by the Company, adjusted by the amount of any cash or cash equivalents transferred.

(j) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, superannuation fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

(k) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contact involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These standalone financial statements are presented in Indian Rupees (₹)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Inventories

Inventories are valued at lower of costs or net realisable value.

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost is computed on a weighted average basis. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost or net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory is duly provided for.

(o) Investments in subsidiaries and associates

The Company's investment in equity instruments in subsidiaries and associates are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

(r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;

ii. Debt instruments at fair value through other comprehensive income (FVTOCI);

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and

iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units, which constitutes its single reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting 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.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

(w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 3: Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Office equipment	Jigs and fixtures	Motor vehicles	Total
Gross carrying amount									
Balance as at 01 April 2019	2,233.85	2,791.50	1,677.02	205.31	94.95	460.45	304.93	13.64	7,781.65
Additions	-	67.30	513.55	3.19	9.14	50.79	83.99	-	727.96
Disposals	-	(0.48)	(18.77)	(8.51)	(0.43)	(15.81)	-	(0.75)	(44.75)
Balance as at 31 March 2020	2,233.85	2,858.32	2,171.80	199.99	103.66	495.43	388.92	12.89	8,464.86
Additions	-	314.88	259.35	14.99	29.15	92.34	150.52	-	861.23
Disposals	(65.29)	(46.96)	(3.60)	(5.00)	(0.12)	(25.01)	-	-	(145.98)
Balance as at 31 March 2021	2,168.56	3,126.24	2,427.55	209.98	132.69	562.76	539.44	12.89	9,180.11
Accumulated depreciation									
Balance as at 01 April 2019	-	648.95	479.42	36.43	20.80	150.60	45.43	7.18	1,388.81
Depreciation for the year	-	79.18	186.73	11.13	9.81	55.39	23.60	0.68	366.52
Disposals	-	(0.04)	(12.88)	(1.64)	(0.27)	(9.04)	-	(0.17)	(24.04)
Balance as at 31 March 2020	-	728.09	653.27	45.92	30.34	196.95	69.03	7.69	1,731.29
Depreciation for the year	-	82.58	194.66	11.10	10.28	57.24	31.28	0.64	387.78
Disposals	-	(9.32)	(0.02)	(2.82)	(0.02)	(18.93)	-	-	(31.11)
Balance as at 31 March 2021	-	801.35	847.91	54.20	40.60	235.26	100.31	8.33	2,087.96
Net carrying amount									
Balance as at 31 March 2020	2,233.85	2,130.23	1,518.53	154.07	73.32	298.48	319.89	5.20	6,733.57
Balance as at 31 March 2021	2,168.56	2,324.89	1,579.64	155.78	92.09	327.50	439.13	4.56	7,092.15

Note:

(a) Contractual obligations

Refer note 35

(b) Capitalised borrowing cost

The amount of borrowing costs capitalised during the year ended 31 March 2021 is ₹50.92 lakhs (31 March 2020: ₹32.89 lakhs).

(c) Property, plant and equipment pledged as security

Details of properties pledged are as per note 17.

(d) The Company has leased out assets to its subsidiaries on which rental income is earned amounting to ₹71.33 lakhs (31 March 2020: ₹67.93 lakhs). Details of such assets are as follows:

	Freehold land	Buildings	Total
Gross carrying amount			
Balance as at 01 April 2019	140.07	684.46	824.53
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2020	140.07	684.46	824.53
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2021	140.07	684.46	824.53
Accumulated depreciation			
Balance as at 01 April 2019	-	71.08	71.08
Depreciation for the year	-	25.13	25.13
Disposals	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 3: Property, plant and equipment (Contd.)

	Freehold land	Buildings	Total
Balance as at 31 March 2020	-	96.21	96.21
Depreciation for the year	-	25.13	25.13
Disposals	-	-	-
Balance as at 31 March 2021	-	121.34	121.34
Net carrying amount			
Balance as at 31 March 2020	140.07	588.25	728.32
Balance as at 31 March 2021	140.07	563.12	703.19

Note 4: Intangible assets

	ERP software	Technical fee	Intellectual property	Total
Gross carrying amount				
Balance as at 01 April 2019	127.89	4.06	-	131.95
Additions	68.28	-	147.91	216.19
Disposals	-	-	-	-
Balance as at 31 March 2020	196.17	4.06	147.91	348.14
Additions	-	-	261.60	261.60
Disposals	-	-	-	-
Balance as at 31 March 2021	196.17	4.06	409.51	609.74
Accumulated amortisation				
Balance as at 01 April 2019	72.13	4.05	-	76.18
Amortisation for the year	27.80	-	16.42	44.22
Disposals	-	-	-	-
Balance as at 31 March 2020	99.93	4.05	16.42	120.40
Amortisation for the year	30.47	-	47.65	78.12
Disposals	-	-	-	-
Balance as at 31 March 2021	130.40	4.05	64.07	198.52
Net carrying amount				
Balance as at 31 March 2020	96.24	0.01	131.49	227.74
Balance as at 31 March 2021	65.77	0.01	345.44	411.22

Note 5: Right of use asset

	Servers	Total
Gross carrying amount		
Balance as at 01 April 2019	-	-
Additions	86.84	86.84
Disposals	-	-
Balance as at 31 March 2020	86.84	86.84
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	86.84	86.84
Accumulated amortisation		
Balance as at 01 April 2019	-	-
Amortisation for the year	15.91	15.91
Disposals	-	-
Balance as at 31 March 2020	15.91	15.91

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 5: Right of use asset (Contd.)

	Servers	Total
Amortisation for the year	17.39	17.39
Disposals	-	-
Balance as at 31 March 2021	**33.30**	**33.30**
Net carrying amount		
Balance as at 31 March 2020	**70.93**	**70.93**
Balance as at 31 March 2021	**53.54**	**53.54**

Note 6: Investments

	As at 31 March 2021	As at 31 March 2020
Trade (Unquoted)		
Valued at cost		
Investment in equity shares of subsidiaries:		
Yuflow Engineering Private Limited (Refer note (A) and (B) below) 19,96,000 equity shares (31 March 2020: 19,96,000) of ₹10 each	264.60	264.60
Coretec Engineering India Private Limited 36,19,200 equity shares (31 March 2020: 36,19,200) of ₹10 each	380.06	380.06
Grotek Enterprises Private Limited 50,10,000 equity shares (31 March 2020: 50,10,000) of ₹10 each	523.00	523.00
Kolben Hydraulics Limited (Refer note (C) below) 8,59,700 equity shares (31 March 2020: 8,59,700) of ₹10 each	85.97	85.97
Investment in equity shares of associates:		
Sai India Limited 3,60,000 equity shares (31 March 2020: 3,60,000) of ₹10 each	20.00	20.00
Bourton Consulting (India) Private Limited 37,300 equity shares (31 March 2020: 37,300) of ₹10 each	3.73	3.73
Investments measured at fair value through OCI		
"Hycom Engineering (India) Private Limited 9,41,330 equity shares (31 March 2020: 9,41,330) of ₹10 each"	94.13	94.13
"The Shamrao Vittal Co-operative Bank Limited 2,000 equity shares (31 March 2020: 2,000) of ₹25 each "	0.50	0.50
Less : Provision for other than temporary diminution in value	(94.63)	(94.63)
	1,277.36	**1,277.36**

Note

(A) **Evaluation of indicators for impairment of investment**

The evaluation of applicability of indicators of impairment of investment requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the investment. In assessing impairment, management estimates the recoverable amount of the investment or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

The management of the Company, during the year ended 31 March 2021, has carried out an impairment test for investment in Yuflow Engineering Private Limited, whereby the carrying amount of the investment was compared with their value-in-use for which the management had prepared detailed cash flow projections based on business plans of the subsidiary, expected growth rates in the business and other market related factors including the discount rates, etc.

The above impairment test resulted in no impairment required to be recognized in the carrying value of investment in Yuflow Engineering Private Limited, as at 31 March 2021.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 6: Investments (Contd.)

(B) Scheme of Amalgamation of Yuflow Engineering Private Limited with the Company

The Board of Directors in their meeting held on 15 April 2021 approved a Scheme of Amalgamation ('Scheme') of its wholly owned subsidiary, Yuflow Engineering Private Limited with its Holding Company. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has furnished the Scheme details to the stock exchange.

(C) Investment in Kolben Hydraulics Limited

The Company in its meeting of the Board of Directors held on 28 May 2019 approved the purchase of additional shares in Kolben Hydraulics Limited ('KHL'). The Company w.e.f 1 July 2019 had increased its shareholding from 46.19% to 85.92% post which KHL has been accounted as a subsidiary.

Note 7: Loans

	As at 31 March 2021	As at 31 March 2020
Non-current		
(Unsecured, considered good)		
Loan to employees	0.39	1.02
Others	0.20	0.20
	0.59	**1.22**
Current		
(Unsecured, considered good)		
Loan to employees	4.54	4.49
	4.54	**4.49**

Note 8: Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	1.48	3.87
Balances with banks		
(i) In current accounts	512.37	55.12
(ii) In EEFC accounts	30.25	11.76
	544.10	**70.75**

Note 9: Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Current		
In earmarked accounts		
(i) Unpaid dividend accounts	6.59	6.36
(ii) Balance held as margin money	57.59	60.12
	64.18	**66.48**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 10: Other financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Balance held as margin money	19.67	11.13
Other receivables	50.00	50.00
	69.67	**61.13**
Current		
Security deposits	256.43	235.62
Interest accrued on deposits	13.11	8.79
Other receivables from related parties (refer note 44)	186.79	100.77
	456.33	**345.18**

Note 11: Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Current		
Advance income tax (net of provision for tax)	296.37	177.36
	296.37	**177.36**

Note 12: Non-financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Prepaid expenses	0.64	4.50
Capital advances	412.75	246.13
	413.39	**250.63**
Current		
Advance to related parties (refer note 44)	2,531.87	2,092.01
Advance to suppliers	189.50	150.76
Prepaid expenses	120.51	116.11
Duty drawback receivable	5.84	10.61
Balances with government authorities	-	52.02
Others	1.56	1.14
	2,849.28	**2,422.65**

Note 13: Inventories

	As at 31 March 2021	As at 31 March 2020
(Lower of cost or net realisable value)		
Raw materials and components	1,964.27	1,562.93
Goods-in-transit - raw material	10.02	17.72
Work-in-progress	1,116.47	922.79
Finished goods (other than those acquired for trading)	804.10	1,128.81
Stock-in-trade	295.97	230.54
Residential units from Joint development of property	13,546.88	13,546.88
	17,737.71	**17,409.67**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 14: Trade receivables

	As at 31 March 2021	As at 31 March 2020
(Unsecured)		
Considered good	8,834.47	7,184.07
Considered doubtful	251.02	157.59
	9,085.49	**7,341.66**
Less: Allowance for doubtful trade receivables	251.02	157.59
	8,834.47	**7,184.07**

Note 15: Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	1,50,00,000	**1,500.00**	**1,50,00,000**	**1,500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	1,20,00,000	**1,200.00**	**1,20,00,000**	**1,200.00**

(a) Reconciliation of the number of shares

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Equity shares of ₹10 each, par value				
Balances as at the beginning of the year	1,20,00,000	1,200.00	1,20,00,000	1,200.00
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	**1,20,00,000**	**1,200.00**	**1,20,00,000**	**1,200.00**

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares

	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Equity shares of ₹10 each, par value				
Yuken Kogyo Co. Limited	48,00,000	40.00%	48,00,000	40.00%
Benefic Investments & Finance Co. Private Limited	13,91,808	11.60%	13,91,808	11.60%

(d) During the year ended 31 March 2019, the Company had issued 9,000,000 fully paid equity shares of face value ₹10 each pursuant to a bonus issue approved by the shareholders through e-voting and physical ballot. The bonus shares were issued by capitalization of profits transferred from its reserves. In the period of five years immediately preceding the Balance Sheet date, the Company has not bought back any shares.

(e) The Board of Directors, in its meeting held on 7 June 2021, proposed a final dividend of ₹0.60 per equity share. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹72 lakhs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 16: Other equity

	As at 31 March 2021	As at 31 March 2020
General reserve	559.58	559.58
Surplus in Statement of Profit and Loss	17,130.99	16,474.99
	17,690.57	**17,034.57**

Note 17: Borrowings

	As at 31 March 2021	As at 31 March 2020
Non-current		
(Secured)		
Term loans from banks	1,635.55	2,564.75
	1,635.55	**2,564.75**
Less: Current maturities of long-term borrowings	828.05	929.20
	807.50	**1,635.55**
Current		
(Secured)		
Loans repayable on demand from banks	5,624.59	6,888.77
(Unsecured)		
Working capital loans from banks	800.00	509.18
	6,424.59	**7,397.95**

Details of limit, repayment, rate of interest, guarantee and security

(a) Secured borrowings

(i) Term loans from banks

	As at 31 March 2021	As at 31 March 2020
Mizuho Bank Limited		
Loan limit	1,695.25	1,695.25
Loan availed	1,695.25	1,695.25
Amount outstanding	298.05	697.25
Repayable in 17 quarterly instalments without moratorium		
Interest rate - 7.05% (31 March 2020: 8.75%)		
Mizuho Bank Limited		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	2,000.00
Amount outstanding	1,337.50	1,867.50
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate - 6.90% (31 March 2020: 8.00%)		

Security Details for the term loans taken from Mizuho Bank Limited:

a Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,900 lakhs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

(b) Secured working capital loans from banks

	As at 31 March 2021	As at 31 March 2020
Mizuho Bank Limited		
Loan limit	2,300.00	2,300.00
Amount outstanding	2,100.00	2,300.00
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited		
Loan limit	1,200.00	1,200.00
Amount outstanding	-	4.64
Repayable on demand		
Interest rate - MCLR rates +2.60% (31 March 2020: MCLR +1.65%)		
Mizuho Bank Limited		
Loan limit	2,500.00	2,500.00
Amount outstanding	-	2,500.00
Repayable on demand		
Interest rate - MCLR rates		
State Bank of India (SBI)		
Loan limit	200.00	1,000.00
Amount outstanding	-	-
Repayable on demand		
Interest rate - MCLR rates + 2.50% (31 March 2020: MCLR +2.30%)		
Sumitomo Mitsui Banking Corporation(SMBC)		
Loan limit	5,000.00	5,000.00
Amount outstanding	3,524.59	2,084.13
Repayable on demand		
Interest rate - MCLR rates		

Details of security given

State Bank of India (SBI)

(i) Primary security : Hypothecation on stocks, receivables and other current assets- paripassu charge with HDFC Bank Limited

(ii) Collateral security details:

(a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.

(b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.

(c) Hypothecation of unencumbered fixed assets of the Company

HDFC Bank Limited

(i) First pari pasu charge on stocks, book debts and other current assets with SBI Bank

(ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur.

(iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur.

(iv) First charge on all movable fixed assets of the company - first paripassu charge with SBI Bank

Sumitomo Mitsui Banking Corporation (SMBC)

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000 lakhs.

Mizuho Bank Limited

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,500 lakhs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2021	As at 31 March 2020
Term Loans and Loans repayable on demand.		
Land and building (Net carrying value)	4,243.73	4,148.83
Stock	4,190.82	3,862.79
Trade receivables	8,834.47	7,184.07
Other current assets	3,918.43	2,784.36
Movable Fixed assets	2,598.70	2,369.49

Reconciliation of liabilities arising from Company's financing activities

	As at 31 March 2021	As at 31 March 2020
Opening balance	9,962.70	8,940.64
Net cash flow from loans availed/repaid during the year	(1,902.56)	1,022.06
Closing balance	**8,060.14**	**9,962.70**

Note 18: Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Lease liabilities (refer note 47)	40.75	57.72
	40.75	**57.72**
Current		
Lease liabilities (refer note 47)	16.96	15.48
	16.96	**15.48**
Movement in lease liabilities		
Balance at the beginning of the year	73.20	-
Lease liability recognised on account of adoption of Ind AS 116	-	86.84
Finance cost incurred during the year	6.09	6.14
Payment of lease liabilities	(21.58)	(19.78)
Balance at the end of the year	**57.71**	**73.20**
Details of lease limit, repayment and rate of interest		
Lease limit	86.84	86.84
Amount outstanding	57.71	73.20
Repayable in 60 monthly instalments without moratorium		
Interest rate - 9.20%		

Note 19: Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposit received towards joint development of property	419.97	694.16
Uncharged guarantee commission income (refer note 44)	15.63	9.28
Others	2.97	2.97
	438.57	**706.41**
Current		
Trade / security deposits received	548.51	552.51

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 19: Other financial liabilities (Contd.)

	As at 31 March 2021	As at 31 March 2020
Payable to employees	375.11	281.04
Current maturities of long-term borrowings (refer note 17)	828.05	929.20
Uncharged guarantee commission income (refer note 44)	33.68	21.92
Interest accrued but not due on borrowings	17.66	11.33
Unpaid dividends	6.59	6.35
Capital creditors	150.71	117.38
Interest accrued on trade payables (refer note 36)	20.52	20.16
Accrued liabilities	180.58	186.39
Commission payable on account of Joint development of property	44.35	95.31
Others	2.23	2.55
	2,207.99	**2,224.14**

Note 20: Provisions

	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for defined benefit obligations (refer note 41)	187.40	161.22
	187.40	**161.22**
Current		
Provision for compensated absences (refer note 41)	202.22	202.02
Provision for superannuation (refer note 41)	92.41	96.50
	294.63	**298.52**

Note 21: Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	206.73	166.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,778.17	2,368.86
	3,984.90	**2,535.10**

Note 22: Income tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax)	42.01	0.15
	42.01	**0.15**

Note 23: Other non-financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Deferred liability on discounting of deposits	63.36	188.84
	63.36	**188.84**
Current		
Statutory remittances	164.00	59.04
Deferred liability on discounting of deposits	66.67	66.67
Advance from customers	7,249.46	3,766.43
	7,480.13	**3,892.14**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 24: Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products (refer note 45)	18,264.98	20,255.23
	18,264.98	**20,255.23**
Other operating revenue		
Training and other services rendered	63.41	104.06
Duty drawback	7.68	15.36
	71.09	**119.42**
	18,336.07	**20,374.65**

Note 25: Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income:		
- on deposits with banks	4.32	4.47
- on overdue trade receivables	2.39	104.53
- on others	4.84	22.93
Dividend income	-	0.06
Liabilities/ provisions no longer required written back	97.42	35.55
Profit on sale of property,plant and equipment (net)	588.29	-
Rental income (refer note 44)	71.33	67.93
Sale of scrap	27.86	42.68
Miscellaneous income	229.16	136.72
	1,025.61	**414.87**

Note 26: Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	1,562.93	1,615.72
Add : Purchases	9,050.42	9,887.32
	10,613.35	**11,503.04**
Less : Closing stock	1,964.27	1,562.93
	8,649.08	**9,940.11**

Note 27: Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of traded goods	1,324.40	929.29
	1,324.40	**929.29**

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the end of the year:		
Finished goods	804.10	1,128.81
Work-in-progress	1,116.47	922.79
Stock-in-trade	295.97	230.54
	2,216.54	**2,282.14**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade (Contd.)

	Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the beginning of the year:		
Finished goods	1,128.81	1,007.04
Work-in-progress	922.79	1,032.05
Stock-in-trade	230.54	319.28
	2,282.14	**2,358.37**
	65.60	**76.23**

Note 29: Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	2,361.71	2,588.65
Contributions to provident and other funds (refer note 41)	267.75	264.46
Staff welfare expenses	171.88	191.80
	2,801.34	**3,044.91**

Note 30: Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on borrowings	606.91	781.57
Interest on dealers deposits and others	207.85	102.55
Interest on income tax	-	33.83
	814.76	**917.95**

Note 31: Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property,plant and equipment (refer note 3)	387.78	366.52
Amortisation on intangible assets (refer note 4)	78.12	44.22
Amortisation on right to use assets (refer note 5)	17.39	15.91
	483.29	**426.65**

Note 32: Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	162.48	207.14
Tools consumed	141.15	125.42
Consumption of packing materials	221.92	276.75
Subcontracting	1,129.43	1,215.24
Contract labour wages	246.71	444.32
Power and fuel	154.31	177.17
Rent including lease rentals	157.74	191.14
Repairs and maintenance - Buildings	95.14	102.03
Repairs and maintenance - Machinery	228.69	232.78
Repairs and maintenance - Others	4.93	17.15
Vehicle maintenance	25.29	44.26

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 32: Other expenses (Contd.)

	Year ended 31 March 2021	Year ended 31 March 2020
Insurance	19.59	14.06
Rates and taxes	16.94	26.70
Travelling and conveyance	266.14	548.28
Freight and forwarding	358.11	324.58
Legal and professional charges	238.98	358.40
Remuneration to auditors (refer note 33 below)	22.75	23.47
Bad trade and other receivables written off	62.65	34.27
Loss on sale or scrapping of fixed assets	-	6.90
Net loss on foreign currency transactions and translation	13.33	45.72
Provision for doubtful trade receivables	152.00	62.00
Corporate social responsibility expenses (refer note 48)	16.26	7.33
Miscellaneous expenses	529.45	551.93
	4,263.99	**5,037.04**

Note 33: Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	21.75	21.25
Tax audit	1.00	1.00
Reimbursement of expenses	-	1.22
	22.75	**23.47**

Note 34: Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Basic and diluted		
Net profit for the year from total operations attributable to the equity shareholders	751.05	596.90
Weighted average number of equity shares	1,20,00,000	1,20,00,000
Par value per share	10.00	10.00
Earnings per share from total operations - Basic and diluted	6.26	4.97

Note 35: Contingencies and commitments

	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
Corporate guarantees given to subsidiaries	3,450.00	3,450.00
Disputed income tax liabilities		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	4.37	4.37
(iii) AY 2012-13	10.83	10.83
(iv) AY 2014-15	16.26	16.26
	3,500.56	**3,500.56**

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 35: Contingencies and commitments (Contd.)

The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

	As at 31 March 2021	As at 31 March 2020
Commitments		
Capital commitments	675.59	629.15
	675.59	**629.15**

Note 36: Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statement based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	206.73	166.24
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	20.16	2.42
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	12.35	-
The amount of interest due and payable for the year	12.71	17.74
The amount of interest accrued and remaining unpaid at the end of the accounting year	20.52	20.16

Note 37: Amounts remitted in foreign currency during the year on account of dividends paid

	As at 31 March 2021	As at 31 March 2020
Amount of dividends remitted in foreign currency (refer note 44)	28.80	96.00
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total of shares held by them on which dividend was due	48,00,000	48,00,000
Years to which dividend relates	2019-20	2018-19

Note 38: Disclosure in respect of loans given, investment made, guarantees given and security provided as per Section 186(4) of the Companies Act, 2013

Particulars	Terms	Year ended 31 March 2021	Year ended 31 March 2020
Investments made			
Coretec Engineering India Private Limited	Additional Investment through 30 lakh shares	-	300.00
Kolben Hydraulics Limited	Additional Investment through 3.97 lakh shares	-	39.75

All amounts are in ₹ lakhs, unless otherwise stated

Note 39: Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity having significant influence. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2021	As at 31 March 2020
Borrowings (refer note 17)	8,060.14	9,962.70
Trade payables (refer note 21)	3,984.90	2,535.10
Less: Cash and cash equivalents (refer note 8)	(544.10)	(70.75)
Less: Bank balances other than cash and cash equivalents (refer note 9)	(64.18)	(66.48)
Net debt	**11,436.76**	**12,360.57**
Equity	1,200.00	1,200.00
Other equity	17,690.57	17,034.57
Capital and net debt	**30,327.33**	**30,595.14**
Gearing ratio	38%	40%

Note 40: Income Tax

	Year ended 31 March 2021	Year ended 31 March 2020
The major components of income tax expense are:		
Current income tax:		
Current income tax charge	151.98	70.06
MAT credit entitlement	-	(5.81)
MAT credit entitlement of prior periods	-	(18.12)
Tax reversal for prior periods	(10.62)	(270.27)
	141.36	**(224.14)**
Deferred tax charge		
Relating to the origination and reversal of temporary differences	66.81	44.58
Income tax expense reported in Statement of Profit and Loss	**208.17**	**(179.56)**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(8.88)	(5.92)
	(8.88)	**(5.92)**
	199.29	(185.48)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Income Tax (Contd.)

	As at 31 March 2021	As at 31 March 2020
Reconciliation of deferred tax liabilities (net)		
Opening balance	183.13	144.47
Deferred tax charge during the year recognised in statement of profit and loss	66.81	44.58
Deferred tax charge/(credit) during the year recognised in OCI	(8.88)	(5.92)
Closing balance	**241.07**	**183.13**

	As at 31 March 2021	As at 31 March 2020
Reconciliation of deferred tax assets (net)		
MAT credit entitlement		
Opening balance	121.82	97.89
Additions during the year	-	5.81
Additions/Deletions pertaining to prior periods	(104.57)	18.12
Less: Utilized during the year	-	-
Closing balance	**17.25**	**121.82**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	959.22	417.34
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	266.85	116.10
Reconciling items:		
Expense disallowed under the provisions of Income tax Act, 1961		
Donations and others	16.05	15.23
Guarantee commission income	(16.30)	(11.15)
Additional deductions under section 80JJAA	-	(2.42)
Tax reduction on account of indexation w.r.t transfer of capital asset	(30.22)	-
Tax reduction on account of special rates of tax on capital gains	(17.59)	-
Tax reversals of prior periods	(10.62)	(270.27)
MAT credit entitlement of prior periods	-	(18.12)
Change in effective rate of taxation from (PY 29.12% to 27.82%)	-	(8.93)
At the effective income tax rate of 27.82% (PY 29.12%)	**208.17**	**(179.56)**
Income tax expense reported in the Statement of Profit and Loss	**208.17**	**(179.56)**

Details of items disclosed under deferred tax liabilities:

	As at 31 March 2021	As at 31 March 2020
Deferred tax asset		
Provision for employee benefits	108.40	101.04
Allowance for trade receivables	69.83	43.84
Fair value measurement of financial asset/liability	23.97	23.97
Deferred tax liability		
Depreciation and amortisation	443.27	351.98
Deferred tax liability, net	**(241.07)**	**(183.13)**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Income Tax (Contd.)

Details of items disclosed under deferred tax asset:

	As at 31 March 2021	As at 31 March 2020
MAT credit entitlement	17.25	121.82
Deferred tax asset, net	**17.25**	**121.82**

Note 41: Defined benefit obligations

The Company has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

A Defined benefit contributions

The Company makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Company recognised ₹130.03 lakhs (31 March 2020: ₹125.47 lakhs) for provident fund contributions and ₹93.47 lakhs (31 March 2020: ₹101.97 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.

B Defined benefit plans

The Company has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

b Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

f Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the company to market risk for volatilities/fall in interest rate.

g Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :

	As at 31 March 2021	As at 31 March 2020
Current service cost	33.22	29.59
Interest cost	27.44	30.36
Expected return on plan assets	(16.41)	(22.94)
Components of defined benefit costs recognised in Statement of Profit or Loss	**44.25**	**37.01**
Re-measurement on the net defined benefit liability :		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	26.04	24.20
Return on Plan assets excluding amount recognised in net interest expense	5.89	5.37
Components of defined benefit costs recognised in other comprehensive income	**31.93**	**29.57**
Actual contribution and benefit payments for year :		
Actual benefit payments	25.30	76.11
Actual contributions	50.00	1.00
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligations	(462.33)	(400.93)
Fair value of plan assets	274.93	239.71
Funded status [surplus / (deficit)]	**(187.40)**	**(161.22)**
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(187.40)**	**(161.22)**
Change in defined benefit obligations (DBO) during the year :		
Present value of DBO at the beginning of the year	400.93	392.89
Current service cost	33.22	29.59
Interest cost	27.44	30.36
Actuarial (gains) / losses	26.04	24.20
Benefits paid	(25.30)	(76.11)
Present value of DBO at the end of the year	**462.33**	**400.93**
Change in fair value of assets during the year :		
Plan assets at the beginning of the year	239.71	297.25
Expected return on plan assets	16.41	22.94
Actual company contributions	50.00	1.00
Actuarial gains / (losses)	(5.89)	(5.37)
Benefits paid	(25.30)	(76.11)
Plan assets at the end of the year	**274.93**	**239.71**
Actual return on plan assets	10.52	17.57
Composition of the plan assets is as follows :		
Others- insurer managed funds	100%	100%

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

	As at 31 March 2021	As at 31 March 2020
Actuarial assumptions :		
Discount rate	6.80%	6.85%
Expected return on plan assets	6.85%	7.00%
Salary escalation	2.00% for first 2 years and 5% thereafter	2.00% for first 2 years and 5% thereafter
Attrition		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

Note:

a The Company is estimated to contribute ₹221.55 lakhs (March 2020: ₹195.04 lakhs) towards gratuity funds during the next year.

b Details of fund assets which are managed by an insurance company have not been disclosed since the details have not been provided by them.

c The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

A quantitative sensitivity analysis for significant assumption is as shown below :

	As at 31 March 2021	As at 31 March 2020
Impact of change in the discount rate		
Impact due to increase of 1%	(38.09)	(34.10)
Impact due to decrease of 1%	44.37	39.75
Impact of change in the salary growth rate		
Impact due to increase of 1%	44.67	39.87
Impact due to decrease of 1%	(38.94)	(34.71)
Impact of change in the attrition rate		
Impact due to increase of 50%	4.14	3.89
Impact due to decrease of 50%	(4.51)	(4.26)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.20	0.19
Impact due to decrease of 10%	(0.20)	(0.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

Effect of plan on entity's future cash flows

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The weighted average duration of the plan is estimated to be 9 years. Following is a maturity profile of the defined benefit obligation:

Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2021	As at 31 March 2020
1 year	29.14	22.95
2 - 5 years	199.31	153.43
6 - 10 years	189.54	208.66
More than 10 years	565.92	492.96

Compensated absences

	As at 31 March 2021	As at 31 March 2020
Charge in the Statement of Profit and Loss	62.22	61.43
Liability as at the year end	202.22	202.02
Actuarial assumptions		
Discount rate	6.80%	6.85%
Salary escalation	2.00% for first 2 years and 5% thereafter	2.00% for first 2 years and 5% thereafter
Attrition	2.00%	2.00%

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

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

Note 42: Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	6	1,277.36	-	-
Loans	7			
Loan to employees		4.93	-	-
Others		0.20	-	-
Cash and cash equivalents	8	544.10	-	-
Bank balances other than cash and cash equivalents	9	64.18	-	-
Other financial assets	10			
Balance held as margin money account		19.67	-	-
Security deposits		256.43	-	-
Interest accrued on deposits		13.11	-	-

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Other receivables from related parties		186.79	-	-
Other receivables		50.00	-	-
Trade receivables	14	8,834.47	-	-
Total		**11,251.24**	**-**	**-**
Liabilities:				
Borrowings	17	7,232.09	-	-
Trade payables	21	3,984.90	-	-
Lease liabilities	18	57.71		
Other financial liabilities	19			
Security deposit received towards joint development of property		419.97	-	-
Uncharged guarantee commission income		49.31	-	-
Trade / security deposits received		548.51	-	-
Payable to employees		375.11	-	-
Current maturities of long-term borrowings		828.05	-	-
Interest accrued but not due on borrowings		17.66	-	-
Unpaid dividends		6.59	-	-
Payables on purchase of fixed assets		150.71	-	-
Interest accrued on trade payables		20.52	-	-
Accrued liabilities		180.58	-	-
Commission payable on account of Joint development of property		44.35	-	-
Others		5.20	-	-
Total		**13,921.26**	**-**	**-**

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	6	1,277.36	-	-
Loans	7			
Loan to employees		5.51	-	-
Others		0.20	-	-
Cash and cash equivalents	8	70.75	-	-
Bank balances other than cash and cash equivalents	9	66.48	-	-
Other financial assets	10			
Balance held as margin money account		11.13	-	-
Security deposits		235.62	-	-
Interest accrued on deposits		8.79	-	-
Other receivables from related parties		100.77	-	-
Other receivables		50.00	-	-
Trade receivables	14	7,184.07	-	-
Total		**9,010.68**	**-**	**-**
Liabilities:				
Borrowings	17	9,033.50	-	-
Trade payables	21	2,535.10	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Lease liabilities	18	73.20	-	-
Other financial liabilities	19			
Security deposit received towards joint development of property		694.16	-	-
Uncharged guarantee commission income		31.20	-	-
Trade / security deposits received		552.51	-	-
Payable to employees		281.04	-	-
Current maturities of long-term borrowings		929.20	-	-
Interest accrued but not due on borrowings		11.33	-	-
Unpaid dividends		6.35	-	-
Payables on purchase of fixed assets		117.38	-	-
Interest accrued on trade payables		20.16	-	-
Accrued liabilities		186.39	-	-
Commission payable on account of Joint development of property		95.31	-	-
Others		5.52	-	-
Total		**14,572.35**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows::

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	**0.00**

As at 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	**0.00**

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk

	As at 31 March 2021	As at 31 March 2020
Investments	1,277.36	1,277.36
Loan to employees	4.93	5.51
Others	0.20	0.20
Cash and cash equivalents	544.10	70.75
Bank balances other than cash and cash equivalents	64.18	66.48
Balance held as margin money account	19.67	11.13
Security deposits	256.43	235.62
Interest accrued on deposits	13.11	8.79
Other receivables from related parties	186.79	100.77
Other receivables	50.00	50.00
Trade receivables	8,834.47	7,184.07
	11,251.24	**9,010.68**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	157.59	131.14
Impairment loss recognised	152.00	62.00
Impairment loss reversed	(58.57)	(35.55)
Balance at the end	**251.02**	**157.59**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,430.90	807.50	-	8,238.40
Lease liabilities	21.57	44.94	-	66.51
Trade payables	3,984.90	-	-	3,984.90
Other financial liabilities	1,379.94	438.57	-	1,818.51
Total	**12,817.31**	**1,291.01**	**-**	**14,108.32**

As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,505.41	1,635.55	-	10,140.96
Lease liabilities	21.57	66.51	-	88.08
Trade payables	2,535.10	-	-	2,535.10
Other financial liabilities	1,294.94	706.41	-	2,001.35
Total	**12,357.02**	**2,408.47**	**-**	**14,765.49**

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Included In	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	3.75	275.37	2.97	222.35
	JPY	9.90	6.56	5.35	3.69
	GBP	0.09	8.76	0.27	24.82
EEFC balances	USD	0.41	30.25	0.16	11.76
Financial liabilities					
Trade payables	USD	11.83	869.22	5.77	430.92
	JPY	-	-	1.60	1.10
	EURO	0.74	62.20	-	-

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase 31 March 2021	Decrease 31 March 2021	Increase 31 March 2020	Decrease 31 March 2020
Sensitivity				
INR/USD	5.64	(5.64)	1.97	(1.97)
INR/EURO	(0.62)	0.62	-	-
INR/JPY	0.07	(0.07)	0.03	(0.03)
INR/GBP	0.09	(0.09)	0.25	(0.25)

Interest rate risk

Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowing	6,424.59	7,397.95
Fixed rate borrowing	1,635.55	2,564.75
Total borrowings	**8,060.14**	**9,962.70**
Amount disclosed under other current financial liabilities	828.05	929.20
Amount disclosed under borrowings	7,232.09	9,033.50

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2021	31 March 2020
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	64.25	73.98
Interest rates – decrease by 100 basis points (100 bps)	(64.25)	(73.98)

Note 44: Related party disclosures

Nature of relationship		Name of related parties
I	Subsidiary companies	Yuflow Engineering Private Limited Coretec Engineering India Private Limited Grotek Enterprises Private Limited Kolben Hydraulics Limited (w.e.f 1 July 2019)
II	Associate companies	Sai India Limited Bourton Consulting (India) Private Limited
III	Key Management Personnel (KMP)	C P Rangachar - Managing Director H M Narasinga Rao - Chief Financial Officer Vinayak Hegde - Company Secretary K. Gopalkrishna- Executive Director. A. Venkatakrishnan- Chief Executive Officer
IV	Relatives of KMP	Vidya Rangachar Madhuri Rangachar
V	Entity having significant influence (Significant shareholder)	Yuken Kogyo Co Limited
VI	Entities controlled by significant shareholder	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Foshan) Co Limited Yuken Sea Co Limited
VII	Parties in which key management personnel or their relatives have significant influence	Al Khoor Pumps & Hydraulic Machines TR. (LLC) Benefic Investment and Finance Company Private Limited
VIII	Other related parties	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

IX Details of related parties transactions for the year ended 31 March 2021 and 31 March 2020 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of property, plant and equipment			
Coretec Engineering India Private Limited	Subsidiary	152.26	118.31
Grotek Enterprises Private Limited	Subsidiary	4.97	-
Yuken Kogyo Co Limited	Entity having significant influence	-	1.05
Yuflow Engineering Private Limited	Subsidiary	-	0.30
Purchase of goods and services received			
Coretec Engineering India Private Limited	Subsidiary	2,035.46	2,407.60
Yuflow Engineering Private Limited	Subsidiary	77.52	5.21
Yuken Kogyo Co Limited	Entity having significant influence	1,380.65	1,039.19
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	454.56	405.15
SAI India Limited	Associate	-	0.28
Kolben Hydraulics Limited	Subsidiary	89.78	166.86
Bourton Consulting (India) Private Limited	Associate	5.42	33.49

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Grotek Enterprises Private Limited	Subsidiary	1,325.77	1,239.06
Brand fees paid			
Yuken Kogyo Co Limited	Entity having significant influence	65.48	78.48
Sale of property, plant and equipment			
Coretec Engineering India Private Limited	Subsidiary	2.69	12.86
Yuflow Engineering Private Limited	Subsidiary	-	2.79
Sale of goods and services			
Coretec Engineering India Private Limited	Subsidiary	9.18	5.74
Yuflow Engineering Private Limited	Subsidiary	-	1.38
Yuken Kogyo Co Limited	Entity having significant influence	6.94	10.26
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	11.64	8.45
Yuken Europe Limited	Entities controlled by significant shareholder	22.00	23.40
Yuken Korea Co Limited	Entities controlled by significant shareholder	22.33	36.84
Kolben Hydraulics Limited	Subsidiary	270.32	3.72
Sai India Limited	Associate	14.86	2.81
Grotek Enterprises Private Limited	Subsidiary	41.10	52.63
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	4.90	55.70
Rent received			
Grotek Enterprises Private Limited	Subsidiary	82.64	78.38
Kolben Hydraulics Limited	Subsidiary	1.53	1.78
Interest income			
Grotek Enterprises Private Limited	Subsidiary	-	15.29
Dividend paid			
Yuken Kogyo Co Limited	Entity having significant influence	28.80	96.00
C P Rangachar	KMP	0.51	1.69
Vidya Rangachar	Relative of KMP	0.10	0.32
Madhuri Rangachar	Relative of KMP	0.05	0.16
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their relatives have significant influence	8.35	27.84
Investment made in equity shares			
Kolben Hydraulics Limited	Subsidiary	-	39.75
Coretec Engineering India Private Limited	Subsidiary	-	300.00
Guarantee Commission income			
Coretec Engineering India Private Limited	Subsidiary	31.71	25.32
Grotek Enterprises Private Limited	Subsidiary	26.87	14.74
Remuneration including commission			
C P Rangachar - Managing Director	KMP	62.23	69.20
H M Narasinga Rao - Chief Financial Officer	KMP	48.91	47.62
Vinayak Hegde - Company Secretary	KMP	6.85	5.92
K. Gopalkrishna- Executive Director.	KMP	56.88	56.55
A. Venkatakrishnan- Chief Executive Officer	KMP	26.93	27.92
Payment towards expenses			
Vidya Rangachar	Relative of KMP	1.80	1.80
Reimbursement of expense(net)			
Yuken Kogyo Co Limited	Entity having significant influence	0.77	3.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Coretec Engineering India Private Limited	Subsidiary	4.52	9.91
Grotek Enterprises Private Limited	Subsidiary	14.62	21.34
Kolben Hydraulics Limited	Subsidiary	0.08	-
Contribution to post employment benefit plans			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	50.00	1.01
Yuken India Employees Superannuation Fund	Post -employment benefit plan	97.55	107.92

X Details of amounts outstandings from related parties as at 31 March 2021 and 31 March 2020 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	As on 31 March 2021	As on 31 March 2020
Advance towards purchase of goods and services			
Yuflow Engineering Private Limited	Subsidiary	548.77	491.42
Coretec Engineering India Private Limited	Subsidiary	632.07	396.11
Grotek Enterprises Private Limited	Subsidiary	1,224.87	1,062.66
Kolben Hydraulics Limited	Subsidiary	126.17	141.82
Trade receivables			
Coretec Engineering India Private Limited	Subsidiary	47.63	14.81
Yuflow Engineering Private Limited	Subsidiary	4.16	4.16
Yuken Kogyo Co Limited	Entity having significant influence	3.63	3.84
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	3.85	6.22
Yuken Europe Limited	Entities controlled by significant shareholder	8.76	24.82
Grotek Enterprises Private Limited	Subsidiary	106.62	70.92
Sai India Limited	Associate	16.33	5.19
Kolben Hydraulics Limited	Subsidiary	243.69	37.00
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	185.66	201.48
Rent receivable			
Grotek Enterprises Private Limited	Subsidiary	179.61	96.97
Kolben Hydraulics Limited	Subsidiary	7.18	3.80
Trade Payables			
Yuken Kogyo Co Limited	Entity having significant influence	804.86	336.05
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	143.89	103.72
Sai India Limited	Associate	-	3.68
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	0.11	0.11
Bourton Consulting (India) Private Limited	Associate	0.29	2.10
Capital payables			
Coretec Engineering India Private Limited	Subsidiary	19.59	21.92
Yuflow Engineering Private Limited	Subsidiary	0.30	0.30
Grotek Enterprises Private Limited	Subsidiary	4.97	-
Key Management Personnel remuneration payable			
C P Rangachar-Managing Director	KMP	4.00	4.00
H M Narasinga Rao-Chief Financial officer	KMP	20.98	16.35
Vinayak Hegde-Company Sectretary	KMP	0.58	0.43
K. Gopalkrishna-Executive Director	KMP	21.87	17.42
A. Venkatakrishnan-Chief Executive officer	KMP	6.80	5.35
Guarantees outstanding			

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	As on 31 March 2021	As on 31 March 2020
Coretec Engineering India Private Limited	Subsidiary	1,850.00	1,850.00
Grotek Enterprises Private Limited	Subsidiary	1,600.00	1,600.00

Note 45: Ind AS 115 – Revenue from Contracts with Customers

i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	31 March 2021	31 March 2020
Sale of products			
Finished goods	At point in time	18,264.98	20,255.23
Sale of Services			
Training and other services rendered	Over a period of time	63.41	104.06
Duty drawback	At point in time	7.68	15.36
Sale of products comprises :			
Manufactured goods			
Hydraulic pumps, valves,etc		10,893.10	12,676.19
Hydraulic systems		5,927.49	6,085.99
		16,820.59	**18,762.18**
Traded goods			
Other Items		1,444.39	1,493.05
		1,444.39	**1,493.05**
		18,264.98	**20,255.23**

ii) Contract balances

	31 March 2021	31 March 2020
Trade receivables	8,834.47	7,184.07
Contract liabilities – Advance from customers	7,249.46	3,766.43

Contract liabilities include advances received from customers. The outstanding balances of these accounts has increased primarily on account of satisfaction of performance obligation subsequent to year-end against which the advances were received during the year.

Contract liabilities - Advance from customers include the advances received from customers on the booking of residential units.

iii) Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated.

Sale of services

The performance obligation is satisfied over-time or point in time based on the nature of services and payment is generally due upon completion of services.

Sale of developmental rights

The performance obligation is satisfied at a point in time when the obligation of transferring the development rights are fulfilled.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 46: Segment information

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108-Operating Segments. The CODM evaluates the Company performance and allocates resources based on Single Segment - Hydraulics

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Revenues from external customers for each product or each group of similar products		
Sale of products	18,264.98	20,255.23
	18,264.98	**20,255.23**
Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues		
India	17,989.80	19,932.75
Outside India	275.18	322.48
	18,264.98	**20,255.23**
Non-current assets (other than financial assets and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets		
India	8,968.58	8,388.74
Outside India	-	-
	8,968.58	**8,388.74**
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale		
Revenue from top customer	1,187.04	1,725.37
Percentage	6.50%	8.52%
Revenue from customers contributing 10% or more to the Company's revenues from product sale	-	-
Percentage	-	-

Note 47: Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

	As at 31 March 2021	As at 31 March 2020
Within one year	16.96	15.48
After one year but not more than five years	40.75	57.72
	57.71	**73.20**

Amount recognised in Statement of Cash Flow Statement

	Year ended 31 March 2021	Year ended 31 March 2020
Total cash outflow for leases - principal	15.48	13.66
Total cash outflow for leases - interest	6.09	6.12

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Effective 1 April 2019, the Company has adopted Ind AS 116, Leases; and has recognised interest on lease liability of ₹6.09 lakhs under finance cost.(31 March 2020 : ₹6.12 lakhs)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 47: Leases (Contd.)

The aggregate amortisation of ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (refer note 31).

The Company has applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application in accordance with Ind AS 116. Rental expense recorded for short-term leases was ₹157.74 lakhs for the year ended 31 March 2021.(31 March 2020 : ₹191.14 lakhs)

Note 48: Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare, animal welfare, setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

	Year ended 31 March 2021	Year ended 31 March 2020
Gross amount required to be spent during the year #	23.74	19.07
Amount spent during the year	16.26	7.33
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	16.26	7.33
iii) Transferred to separate bank account	-	-
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

Amounts computed is based upon profits as per relevant GAAP applicable for the respective years.

The Company is in the process of identifying various social welfare activities which supports the right cause as aimed by the management of the Company. The management endeavours to speed up the process and increase CSR spend to assist the government in its initiative to support the society at large.

Note 49: Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

BOARDS REPORT
CG REPORT
BR REPORT
STANDALONE
CONSOLIDATED

Consolidated Financial Statements

Independent Auditors' Report

To the Members of Yuken India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at 31 March 2021, their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Impact of COVID-19

4. We draw attention to Note 1 to the accompanying consolidated financial statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management's evaluation of the same on the business operations of the Group. In view of these uncertainties, the impact on the Group's operations is significantly dependent on future developments.

   The above matter has also been reported as emphasis of matter in the audit reports issued by other firms of chartered accountants on the standalone financial statements of two subsidiary companies for the year ended 31 March 2021.

   Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters..

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition We refer to the Group's significant accounting policies in Note 2 and the revenue related disclosure in Note 24 and Note 44 of the consolidated financial statements. Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations. Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers and also, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence we have assessed revenue recognition as a key audit matter.	**Our audit procedures included, but were not limited to, the following:** • assessed the design and operating effectiveness of Holding Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); • assessed the appropriateness of Holding Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; • scrutinized sales ledgers to verify completeness of sales transactions; • on a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries (as the case may be), and approved incentives/ discounts schemes; • tested the appropriateness of accruals for various rebates and discounts as at the year-end; • assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; • circularized the balance confirmation for samples of customers and reviewing the reconciling items, if any; • tested the related disclosures made in notes to the consolidated financial statements in respect of the revenue from operations.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding of 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 consolidated 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.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 8,767.44 lakhs and net assets of ₹(116.83) lakhs as at 31 March 2021, total revenues of ₹6,627.80 lakhs and net cash inflows amounting to ₹13.72 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 (including other comprehensive income) of ₹10.91 lakhs for the year ended 31 March 2021, 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, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and associates, we report that the Holding Company, its subsidiary companies and associate companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, 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 purpose 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 financial statements 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 Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and 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 covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company, and its subsidiary companies and associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure II; and

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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 34 to the consolidated financial statements;

   ii. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   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 during the year ended 31 March 2021.

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACW7714

Bengaluru
07 June 2021

Annexure I

List of entities included in the Consolidated Financial Statements

Subsidiaries:

a) Yuflow Engineering Private Limited;

b) Coretec Engineering India Private Limited;

c) Grotek Enterprises Private Limited; and

d) Kolben Hydraulics Limited (w.e.f 1 July 2019)

Associates:

a) SAI India Limited;

b) Bourton Consulting (India) Private Limited.

Annexure II to the Independent Auditor's Report of even date to the members of Yuken India Limited on the consolidated financial statements for the year ended 31 March 2021

Annexure

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements 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 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies; the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements 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 issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹8,767.44 lakhs and net assets of (116.83) lakhs as at 31 March 2021, total revenues of ₹6,627.80 lakhs and net cash inflows amounting to ₹13.72 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(including other comprehensive income) of ₹10.91 lakhs for the year ended 31 March 2021, in respect of two associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 21059139AAAACW7714

Bengaluru
07 June 2021

Consolidated Balance Sheet as at 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,412.69	10,024.03
Right-of-use Assets	5	53.54	70.93
Capital work-in-progress		1,255.90	2,312.70
Other intangible assets	4	611.45	440.13
Goodwill arising on consolidation		92.57	92.57
Financial assets			
(i) Investments	6	447.20	436.29
(ii) Loans	7	0.59	1.22
(iii) Other financial assets	10	99.41	81.32
Deferred tax asset	38	218.71	208.87
Other non-financial assets	12	465.88	266.08
		14,657.94	**13,934.14**
Current assets			
Inventories	13	19,288.92	18,906.72
Financial assets			
(i) Trade receivables	14	9,220.86	7,801.22
(ii) Cash and cash equivalents	8	584.61	97.55
(iii) Bank balances other than cash and cash equivalents	9	64.18	66.48
(iv) Loans	7	4.59	9.55
(v) Other financial assets	10	269.54	253.53
Current tax assets	11	306.43	184.34
Other non-financial assets	12	625.59	464.53
		30,364.72	**27,783.92**
TOTAL ASSETS		**45,022.66**	**41,718.06**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	1,200.00	1,200.00
Other equity	16	16,606.79	16,176.32
		17,806.79	**17,376.32**
Minority Interest		(3.40)	3.40
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	1,613.74	2,845.56
(ii) Lease liabilities	18	40.75	57.72
(iii) Other financial liabilities	19	422.94	697.13
Provisions	20	254.65	253.87
Deferred tax liabilities (net)	38	395.87	365.76
Other non financial liabilities	23	63.36	188.84
		2,791.31	**4,408.88**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	7,732.36	8,710.91
(ii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		858.52	557.05
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,275.90	3,770.85
(iii) Lease liabilities	18	16.96	15.48
(iv) Other financial liabilities	19	2,548.21	2,539.28
Provisions	20	353.18	369.04
Current tax liabilities	22	42.01	0.15
Other non-financial liabilities	23	7,600.82	3,966.70
		24,427.96	**19,929.46**
TOTAL EQUITY AND LIABILITIES		**45,022.66**	**41,718.06**

See accompanying notes (1-49) forming part of these Consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	24	21,306.37	24,215.96
Other income	25	1,040.64	406.31
		22,347.01	**24,622.27**
Expenses			
Cost of materials consumed	26	8,582.63	10,237.05
Purchases of stock-in-trade	27	1,324.40	929.29
Changes in stock of finished goods, work-in-progress and stock-in-trade	28	90.22	(256.12)
Employee benefits expense	29	3,549.85	3,951.78
Finance costs	30	1,012.69	1,088.09
Depreciation and amortisation expense	31	872.18	756.49
Other expenses	32	6,341.54	7,862.76
		21,773.51	**24,569.34**
Profit before tax		**573.50**	**52.93**
Tax expense/(benefit):			
Current tax		151.98	70.06
MAT credit entitlement		-	(5.81)
Tax reversal for prior periods		(10.62)	(270.27)
MAT credit entitlement of prior periods		-	(18.12)
Deferred tax charge/(credit)		(75.56)	(11.39)
Total tax expense/(benefit)		**65.80**	**(235.53)**
Profit after tax		**507.70**	**288.46**
Equity earnings of associates		10.91	13.87
Profit for the year		**518.61**	**302.33**
Profit attributable to owners of parent		525.41	313.02
Profit attributable to non- controlling Interest		(6.80)	(10.69)
Other comprehensive income			
Items that will not be reclassified to profit / (loss)			
Remeasurement (gains)/losses on defined benefit plans		31.88	30.33
Income tax effect		(8.94)	(6.13)
Other comprehensive income for the year		**22.94**	**24.20**
Total comprehensive income for the year		**495.67**	**278.13**
Total comprehensive Income attributable to			
Owners of the parent:		502.47	288.82
Non controlling interest		(6.80)	(10.69)
Earnings per equity share:			
Basic and diluted	33	4.38	2.61

See accompanying Notes (1-49) forming part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
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Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Statement of Consolidated Cash Flows for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2021	Year ended 31 March 2020
A) Cash flow from operating activities		
Profit before tax	573.50	52.93
Adjustments for:		
Depreciation and amortisation	854.79	740.57
Depreciation on right of use assets	17.39	15.92
Gain on forward contract mark to market measurement	-	(2.40)
Loss on sale or on assets scrapped	-	9.83
Net unrealised exchange loss/(gain)	(9.58)	34.55
Provision for doubtful trade receivables	152.00	62.00
Bad trade and other receivables written off	62.72	50.99
Interest expense	836.88	1,024.82
Net Expenses/ (income) on discounting of deposits	50.32	(3.39)
Interest income	(9.16)	(12.11)
Dividend income	-	(0.06)
Liabilities / provisions no longer required written back	(97.42)	(60.94)
Gain on equity Interest	-	(35.28)
Guarantee Commission Income	(58.58)	-
Profit on sale of assets	(590.46)	-
Operating profit before working capital changes	**1,782.40**	**1,877.43**
Movements in working capital		
(Increase)/decrease in inventories	(382.20)	(407.99)
(Increase)/decrease in trade receivables	(1,581.67)	1,760.27
(Increase)/decrease in loans	5.59	18.02
(Increase)/decrease in other financial assets	(29.78)	(43.63)
(Increase)/decrease in non-financial assets	(157.21)	154.05
Increase/(decrease) in trade payables	1,860.28	(2,816.80)
Increase/(decrease) in other financial liabilities	105.88	(20.85)
Increase/(decrease) in provisions	(46.96)	40.17
Increase/(decrease) in non-financial liabilities	277.12	(548.59)
Cash generated from operations	**1,833.45**	**12.08**
Net income tax paid	(103.27)	(308.04)
Net cash generated / (used in) from operating activities (A)	**1,730.18**	**(295.96)**
B) Cash flow from investing activities		
Purchase of property, plant and equipment.	(1,669.66)	(2,727.15)
Proceeds from sale of property, plant and equipment	724.50	12.81
Bank balance not considered as cash and cash equivalents	2.30	(14.88)
Interest received	4.84	9.19
Investment in Associate	-	(30.82)
Advance received on account of joint development of property	3,306.05	2,628.30
Security Deposit recovery from Brigade	(450.00)	-
Dividend received	-	0.06
Net cash generated from/(used in) Investing activities (B)	**1,918.03**	**(122.49)**

Statement of Consolidated Cash Flows for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2021	Year ended 31 March 2020
C) Cash flow from financing activities		
Proceeds from long-term borrowings	-	2,375.00
Repayment of long-term borrowings	(1,248.95)	(598.35)
Net increase in working capital borrowings	(978.55)	(102.79)
Repayment of principal amount of Lease liability	(15.48)	(13.66)
Repayment of interest amount on Lease liability	(6.09)	(6.12)
Interest expense	(840.86)	(952.53)
Dividends and tax thereon paid	(71.76)	(288.38)
Net cash flow (used in) / Generated from financing activities (C)	**(3,161.69)**	**413.17**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**486.52**	**(5.28)**
Cash and cash equivalents at the beginning of the year	97.55	102.47
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.54	0.36
Cash and cash equivalents at the end of the year	**584.61**	**97.55**
Cash and cash equivalents at the end of the year as per Note 8)	**584.61**	**97.55**

See accompanying Notes (1-49) forming part of these consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
As at 01 April 2019	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2021	120.00	1,200.00

B. Other Equity

	General reserve	Retained earnings	Capital reserve	Total
Balance as at 01 April 2019	596.08	15,538.35	42.41	16,176.84
Additions during the year				
Profit for the year	-	313.02	-	313.02
Items of the other comprehensive income, net of tax				
Remeasurement gains/(losses) on defined benefit plans	-	(24.20)	-	(24.20)
Reductions during the year:				
Dividends and tax on dividend	-	(289.34)	-	(289.34)
Balance as at 31 March 2020	596.08	15,537.83	42.41	16,176.32
Additions during the year				
Profit for the year	-	525.41	-	525.41
Items of the other comprehensive income, net of tax				
Remeasurement gains/(losses) on defined benefit plans	-	(22.94)	-	(22.94)
Reductions during the year:				
Dividends and tax on dividend	-	(72.00)	-	(72.00)
Balance as at 31 March 2021	596.08	15,968.30	42.41	16,606.79

See accompanying Notes (1-49) forming part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

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H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 1

General Information

Yuken India Limited ('the Company' / 'the Holding Company') was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt),Peenya Indl Area, Bangalore and New Delhi.. Sales and distribution network is spread across India. The Company is amongst the most preferred source of supply by most of the original equipment manufacturers in India. The Company manufactures a 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..

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as 'the Group') and associates listed below:

Name of the entities	Country of incorporation	Ownership interest (%)	
		As on 31 March 2021	As on 31 March 2020
Subsidiaries:			
Yuflow Engineering Private Limited	India	100.00%	100.00%
Coretec Engineering India Private Limited	India	100.00%	100.00%
Grotek Enterprises Private Limited	India	100.00%	100.00%
Kolben Hydraulics Limited	India	85.92%	85.92%
Associates:			
Sai India Limited	India	40.00%	40.00%
Bourton Consulting (India) Private Limited	India	29.54%	29.54%

Assessment of the impact of COVID-19 pandemic on the operations of the Company

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11 March 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23 March 2020 due to which the Group suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations by way of supply chain disruptions, closure of customers' site, suspension of travel and unavailability of personnel during the lockdown period.

The Central and State Governments have initiated steps to lift the lockdown and the Group will adhere to the same as it resumes its activities. The Group has resumed operations in a phased manner from third week of May 2020 following safety standards and protocols in accordance with government guidelines issued from time to time. With the unlocking of restrictions, the Group's production plants has opened, and business is expected to gradually improve. During the second half of the year, the Group witnessed some signs of recovery of demand. Whilst there has been a second wave of the COVID-19 pandemic in the last few months where the Group operates, there has also been increased vaccination drive by the Government and the Group continues to closely monitor the situation.

The Group's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including Property, plant and equipment, Capital work-in-progress, intangible assets, investments, trade receivables and inventories). In developing the assumptions relating to the possible future uncertainties in the domestic/ global economic conditions because of the pandemic, the Group has, as at the date of approval of these consolidated financial statements, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Group. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. The actual impact of the pandemic may be different from that estimated as at the date of these consolidated financial statements and the Group will continue to monitor any material changes to future economic conditions.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 2

Summary of significant accounting policies

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has::

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

(b) Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 07 June 2021.

(c) Basis of accounting and preparation

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(d) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has evaluated the likely impact of COVID-19 on the overall business of the Group. The Group as at the date of the approval of these standalone financial statements, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Group's standalone financial statements may differ from the estimate as on the date of the approval of the standalone financial statements.

Expected credit loss

The Group has considered the current and anticipated future economic conditions relating to industries the Group deals with. In calculating the expected credit loss, the Group has also considered the related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19 using the forward looking approach prescribed by Ind AS 109.

Impact on revenue

The Group has re-evaluated the probable revenues from customers to assess any probable decrease in revenue due to economic stress caused by COVID-19. Accordingly, it is the opinion of the Group that the customers could re-prioritise their discretionary spend in the immediate future to conserve resources. The impact of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Impact on investments and long lived assets

The Group has considered all internal and external information including credit reports and economic outlook to evaluate the recoverability of investments and long lived assets. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects the carrying amount of these investments and long-lived assets will be recovered.

Classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group+ considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset taking in to account the location of the underlying asset and the availability of suitable alternatives.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provision for warranty

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment and Electrical installations*	5-21
Computer equipment*	3-6

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

'*Based on an internal assessment, the management believes that the useful lives as given above represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

(g) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company amortises intangible over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Asset Category	Useful lives (in years)
ERP software	5
Technical Fee	5
Intellectual Property	5

(h) Investment properties

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Subsequent measurement

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit or Loss in the period of de-recognition.

(i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(j) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from Contracts is measured at transaction price net of variable consideration. Transaction price are net of returns, trade allowances, rebates, other similar allowances, goods and services tax and amounts collected on behalf of third parties, if any.

Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation), generally on dispatch of the goods.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established..

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Sale of developmental rights under Joint Development Agreement

For projects executed through joint development arrangements, wherein the Company provides land and the Developer undertakes to develop properties on such land and in lieu of the Company providing land, the Developer has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from sale of developmental rights is being accounted on a gross basis when the developmental rights are transferred. The revenue is measured at the estimated standalone selling prices of the residential units that will be received by the Company, adjusted by the amount of any cash or cash equivalents transferred.

(k) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, superannuation fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the projected unit credit method. The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

(l) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contact involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

Summary of significant accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹))

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs..

(o) Inventories

Inventories are valued at lower of costs or net realisable value.

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost is computed on a weighted average basis. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost or net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory is duly provided for.

(p) Investments in associates

The Company's investment in equity instruments in associates are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(q) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(r) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

(s) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;

ii. Debt instruments at fair value through other comprehensive income (FVTOCI);

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and

iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met::

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. *Equity investments*

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(t) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(v) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units and other business (foundry), which constitutes multiple reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting 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.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

(x) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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Note 3: Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Office equipment	Jigs and fixtures	Motor vehicles	Total
Gross carrying amount									
Balance as at 01 April 2019	**2,553.20**	**3,025.75**	**4,138.82**	**421.35**	**122.93**	**502.55**	**512.06**	**26.05**	**11,302.71**
Additions	-	210.17	1,061.09	24.18	21.52	65.81	83.04	0.43	1,466.24
Disposals	-	(0.48)	(20.94)	(8.51)	(0.43)	(15.81)	-	(0.75)	(46.92)
Balance as at 31 March 2020	**2,553.20**	**3,235.44**	**5,178.97**	**437.02**	**144.02**	**552.55**	**595.10**	**25.73**	**12,722.03**
Additions	-	343.49	1,565.62	90.09	32.17	101.82	150.49	2.12	2,285.80
Disposals	(65.29)	(49.93)	(16.34)	(5.00)	(0.12)	(25.01)	(12.99)	-	(174.68)
Balance as at 31 March 2021	**2,487.91**	**3,529.00**	**6,728.25**	**522.11**	**176.07**	**629.36**	**732.60**	**27.85**	**14,833.15**
Accumulated depreciation									
Balance as at 01 April 2019	-	**664.14**	**988.18**	**74.15**	**29.99**	**169.78**	**103.52**	**13.10**	**2,042.86**
Depreciation for the year	-	101.91	420.42	27.28	13.81	66.72	47.19	2.05	679.38
Disposals	-	(0.04)	(13.08)	(1.64)	(0.27)	(9.04)	-	(0.17)	(24.24)
Balance as at 31 March 2020	-	**766.01**	**1,395.52**	**99.79**	**43.53**	**227.46**	**150.71**	**14.98**	**2,698.00**
Depreciation for the year	-	107.59	483.28	29.62	14.45	71.49	54.85	1.81	763.09
Disposals	-	(11.60)	(2.44)	(2.82)	(0.02)	(18.93)	(4.82)	-	(40.63)
Balance as at 31 March 2021	-	**862.00**	**1,876.36**	**126.59**	**57.96**	**280.02**	**200.74**	**16.79**	**3,420.46**
Net carrying amount									
Balance as at 31 March 2020	**2,553.20**	**2,469.43**	**3,783.45**	**337.23**	**100.49**	**325.09**	**444.39**	**10.75**	**10,024.03**
Balance as at 31 March 2021	**2,487.91**	**2,667.00**	**4,851.89**	**395.52**	**118.11**	**349.34**	**531.86**	**11.06**	**11,412.69**

Note:

(a) Contractual obligations

Refer note 34

(b) Capitalised borrowing cost

The amount of borrowing costs capitalised during the year ended 31 March 2021 is ₹50.92 lakhs (31 March 2020: ₹120.68 lakhs).

(c) Property, plant and equipment pledged as security

Details of properties pledged are as per note 17.

Note 4: Intangible assets

	ERP software	Technical fee	Intellectual property	Others	Total
Gross carrying amount					
Balance as at 01 April 2019	**157.26**	**4.06**	-	**214.39**	**375.71**
Additions	81.56	-	147.91	-	**229.47**
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**238.82**	**4.06**	**147.91**	**214.39**	**605.18**
Additions	1.42	-	261.60	-	**263.02**
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**240.24**	**4.06**	**409.51**	**214.39**	**868.20**
Accumulated amortisation					
Balance as at 01 April 2019	**75.65**	**4.05**	-	**24.15**	**103.85**
Amortisation for the year	44.78	-	16.42	-	**61.20**
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**120.43**	**4.05**	**16.42**	**24.15**	**165.05**
Amortisation for the year	44.05	-	47.65	-	**91.70**
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**164.48**	**4.05**	**64.07**	**24.15**	**256.75**

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All amounts are in ₹ lakhs, unless otherwise stated

Note 4: Intangible assets (Contd.)

	ERP software	Technical fee	Intellectual property	Others	Total
Net carrying amount					
Balance as at 31 March 2020	118.39	0.01	131.49	190.24	440.13
Balance as at 31 March 2021	75.76	0.01	345.44	190.24	611.45

Note 5: Right of use asset

	Servers	Total
Gross carrying amount		
Balance as at 01 April 2019	-	-
Additions	86.84	86.84
Disposals	-	-
Balance as at 31 March 2020	86.84	86.84
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	86.84	86.84
Accumulated Amortization		
Balance as at 01 April 2019	-	-
Amortisation for the year	15.91	15.91
Disposals	-	-
Balance as at 31 March 2020	15.91	15.91
Amortisation for the year	17.39	17.39
Disposals	-	-
Balance as at 31 March 2021	33.30	33.30
Net carrying amount		
Balance as at 31 March 2020	70.93	70.93
Balance as at 31 March 2021	53.54	53.54

Note 6: Investments Trade (Unquoted)

	As at 31 March 2021	As at 31 March 2020
Investment in equity shares of subsidiaries:		
Valued at cost		
Investment in equity shares of associates		
Sai India Limited 360,000 equity shares (31 March 2020: 360,000) of ₹10 each	441.80	429.25
Bourton Consulting (India) Private Limited 37,300 equity shares (31 March 2020: 37,300) of ₹10 each	5.40	7.04
Investments measured at fair value through OCI		
Hycom Engineering (India) Private Limited 941,330 equity shares (31 March 2020: 941,330) of ₹10 each	94.13	94.13
The Shamrao Vittal Co-operative Bank Limited 2,000 equity shares (31 March 2020: 2,000) of ₹25 each	0.50	0.50
Less : Provision for other than temporary dimunition in value	(94.63)	(94.63)
	447.20	**436.29**

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All amounts are in ₹ lakhs, unless otherwise stated

Note 7: Loans

	As at 31 March 2021	As at 31 March 2020
Non-current		
(Unsecured, considered good)		
Loan to employees	0.39	1.02
Others	0.20	0.20
	0.59	**1.22**
Current		
(Unsecured, considered good)		
Loan to employees	4.59	9.55
	4.59	**9.55**

Note 8: Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	3.52	5.49
Balances with banks		
(i) In current account	549.84	80.29
(ii) In EEFC account	31.25	11.77
	584.61	**97.55**

Note 9: Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
In earmarked accounts		
(i) Unpaid dividend accounts	6.59	6.36
(ii) Balance held as margin money	57.59	60.12
	64.18	**66.48**

Note 10: Other financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits	29.74	20.19
Balance held as margin money account	19.67	11.13
Other receivables	50.00	50.00
	99.41	**81.32**
Current		
Security deposits	256.43	244.74
Interest accrued on deposits	13.11	8.79
	269.54	**253.53**

Note 11: Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Current		
Advance income tax (net of provision for tax)	306.43	184.34
	306.43	**184.34**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 12: Non-financial assets

	As at 31 March 2021	As at 31 March 2020
Non-financial assets		
Non-current		
Prepaid expenses	0.64	4.50
Capital advances	465.24	261.58
	465.88	**266.08**
Current		
Advance to suppliers	412.03	173.19
Prepaid expenses	101.61	162.25
Duty drawback receivable	5.84	10.61
Balances with government authorities	102.08	117.34
Others	4.03	1.14
	625.59	**464.53**

Note 13: Inventories

	As at 31 March 2021	As at 31 March 2020
(Lower of cost or net realisable value)		
Raw materials and components	2,743.73	2,259.16
Goods-in-transit - raw material	11.23	23.38
Work-in-progress	1,351.22	1,088.25
Finished goods (other than those acquired for trading)	1,339.90	1,758.51
Stock-in-trade	295.96	230.54
Residential units from Joint development of property	13,546.88	13,546.88
	19,288.92	**18,906.72**

Note 14: Trade receivables

	As at 31 March 2021	As at 31 March 2020
(Unsecured)		
Considered good	9,220.86	7,801.22
Considered doubtful	252.70	158.12
	9,473.56	**7,959.34**
Less: Allowances for doubtful trade receivables	252.70	158.12
	9,220.86	**7,801.22**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 15: Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	1,50,00,000	**1,500.00**	**1,50,00,000**	**1,500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	1,20,00,000	**1,200.00**	**1,20,00,000**	**1,200.00**
(a) Reconciliation of the number of shares				
Equity shares of ₹10 each, par value				
Balance as at the beginning of the year	1,20,00,000	1,200.00	1,20,00,000	1,200.00
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	**1,20,00,000**	**1,200.00**	**1,20,00,000**	**1,200.00**

(b) Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in indian rupees. In the event of liquidation of the Holding Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares

	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Equity shares of ₹10 each, par value				
Yuken Kogyo Co Limited	48,00,000	40.00%	48,00,000	40.00%
Benefic Investments & Finance Co Private Limited	13,91,808	11.60%	13,91,808	11.60%

(d) During the year ended 31 March 2019, the Company had issued 9,000,000 fully paid equity shares of face value ₹10 each pursuant to a bonus issue approved by the shareholders through e-voting and physical ballot. The bonus shares were issued by capitalization of profits transferred from its reserves. In the period of five years immediately preceding the Balance Sheet date, the Company has not bought back any shares.

(e) The Board of Directors, in its meeting held on 7 June 2021, proposed a final dividend of ₹0.60 per equity share. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹72 lakhs.

Note 16: Other equity

	As at 31 March 2021	As at 31 March 2020
General reserve	596.08	596.08
Capital reserve	42.41	42.41
Surplus in Statement of Profit and Loss	15,968.30	15,537.83
	16,606.79	**16,176.32**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings

	As at 31 March 2021	As at 31 March 2020
Non-current		
(Secured)		
Term loans from banks	2,839.31	4,088.27
	2,839.31	**4,088.27**
Less:- Current maturities of long-term borrowings	1,225.57	1,242.71
	1,613.74	**2,845.56**
Current		
(Secured)		
Loans repayable on demand from banks	6,932.36	8,201.73
(Unsecured)		
Working capital demand loans from banks	800.00	509.18
	7,732.36	**8,710.91**

Details of limit, repayment, rate of interest, guarantee and security

(a) Secured Term Loans from Banks (refer notes below)

	As at 31 March 2021	As at 31 March 2020
Mizuho Bank Limited		
Loan limit	1,695.25	1,695.25
Loan availed	1,695.25	1,695.25
Amount outstanding	298.05	697.25
Repayable in 17 quarterly instalments without moratorium		
Interest rate - 7.05% (31 March 2020: 8.75%)		
Mizuho Bank Limited		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	2,000.00
Amount outstanding	1,337.50	1,867.50
Repayable in 15 quarterly instalments without moratorium		
Interest rate - 6.90% (31 March 2020: 8.00%)		
HDFC Bank Limited (subsidiary)		
Loan limit	150.00	150.00
Loan availed	130.22	130.22
Amount outstanding	10.01	50.08
Repayable in 4 years with 6 months moratorium		
MCLR rates		
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	500.00	500.00
Loan availed	500.00	500.00
Amount outstanding	412.50	500.00
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	1,000.00	1,000.00
Loan availed	1,000.00	1,000.00
Amount outstanding	781.25	973.44
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

Notes

(i) Security Details for the term loan taken from Mizuho Bank Limited:

a Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,900 lakhs

(ii) Security Details for the term loans taken from HDFC Bank Limited (subsidiary):

a Primary : First charge on fixed assets, stock and book debts of the company.

b Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Estate Mahadevapura, Bengaluru

(iii) Security Details for the term loans taken from Sumitomo Mitsui Banking Corporation (subsidiary):

Letter of Guarantee from Yuken India Limited

(b) Secured working capital loans from banks (refer notes below)

	As at 31 March 2021	As at 31 March 2020
Mizuho Bank Limited		
Loan limit	2,300.00	2,300.00
Amount outstanding	2,100.00	2,300.00
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited		
Loan limit	1,200.00	1,200.00
Amount outstanding	-	4.64
Repayable on demand		
Interest rate - MCLR rates +2.60% (31 March 2020: MCLR +1.65%)		
Mizuho Bank Limited		
Loan limit	2,500.00	2,500.00
Amount outstanding	-	2,500.00
Repayable on demand		
Interest rate - MCLR rates		
SBI Bank		
Loan limit	200.00	1,000.00
Amount outstanding	-	-
Repayable on demand		
Interest rate - MCLR rates + 2.50% (31 March 2020: MCLR +2.30%)		
Sumitomo Mitsui Banking Corporation		
Loan limit	5,000.00	5,000.00
Amount outstanding	3,524.59	2,084.13
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited (subsidiary)		
Loan limit	600.00	600.00
Amount outstanding	540.02	515.00
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited (subsidiary)		
Loan limit	500.00	500.00
Amount outstanding	467.75	497.96
Repayable on demand		

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

	As at 31 March 2021	As at 31 March 2020
Interest rate - MCLR rates		
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	600.00	600.00
Amount outstanding	300.00	300.00
Repayable on demand		
Interest rate - MCLR rates		

Notes

Details of security given

SBI Bank

(i) Primary security : Hypothecation on stocks, receivables and other current assets-paripassu charge with HDFC Bank Limited

(ii) Collateral security details:

(a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.

(b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.

(c) Hypothecation of unencumbered fixed assets of the Company

HDFC Bank Limited

(i) First pari pasu charge on stocks, book debts and other current assets with SBI

(ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur

(iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur

(iv) First charge on all movable fixed assets of the company - first paripassu charge with SBI.

Mizuho Bank Limited

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,500 lakhs.

Sumitomo Mitsui Banking Corporation

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000 lakhs

HDFC Bank Limited (subsidiary)

(i) Primary : First charge on fixed assets, stock and book debts of the company.

(ii) Secondary : Corporate guarantee given by Yuken India Limited

HDFC Bank Limited (subsidiary)

(i) Primary : First charge on fixed assets, stock and book debts of the company.

(ii) Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Estate Mahadevapura.

Sumitomo Mitsui Banking Corporation (subsidiary)

(i) Letter of Guarantee from Yuken India Limited

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2021	As at 31 March 2020
Term Loans and loans repayable on demand		
Land and building (Net carrying value)	4,304.27	4,209.37
Stock	5,570.71	5,230.45
Trade receivables	9,129.65	7,779.79
Other current assets	1,199.77	692.35
Movable fixed assets	6,147.94	4,887.46

Reconciliation of liabilities arising from Company's financing activities

	As at 31 March 2021	As at 31 March 2020
Opening balance	12,799.18	11,125.32
Net cash flow from loans availed/repaid during the year	(2,227.51)	1,673.86
Closing balance	**10,571.67**	**12,799.18**

Note 18: Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Lease liabilities (refer note 45)	40.75	57.72
	40.75	**57.72**
Current		
Lease liabilities (refer note 45)	16.96	15.48
	16.96	**15.48**
Movement in lease liabilities		
Balance at the beginning of the year	73.20	-
Lease liability recognised on account of adoption of Ind AS 116	-	86.84
Finance cost incurred during the year	6.09	6.14
Payment of lease liabilities	(21.58)	(19.78)
Balance at the end of the year	**57.71**	**73.20**
Details of lease limit, repayment and rate of interest		
Lease limit	86.84	86.84
Amount outstanding	57.71	73.20
Repayable in 60 monthly instalments without moratorium		
Interest rate - 9.20%		

BOARDS REPORT
CG REPORT
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STANDALONE
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Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 19: Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposit received towards joint development of property	419.97	694.16
Others	2.97	2.97
	422.94	**697.13**
Current		
Trade / security deposits received	548.51	552.51
Payable to employees	375.83	281.82
Current maturities of long-term borrowings	1,225.57	1,242.70
Interest accrued but not due on borrowings	19.14	16.02
Unpaid dividends	6.59	6.35
Payables on purchase of fixed assets	121.17	95.16
Interest accrued on trade payables	20.52	20.16
Accrued liabilities	184.30	226.70
Commission payable on account of Joint development of property	44.35	95.31
Others	2.23	2.55
	2,548.21	**2,539.28**

Note 20: Provisions

	As at 31 March 2021	As at 31 March 2020
Non-current		
"Payable towards defined benefit obligations	254.65	253.87
	254.65	**253.87**
Current		
Provision for compensated absences	255.53	261.41
Provision for superannuation	97.65	107.63
	353.18	**369.04**

Note 21: Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprise and small enterprises	858.52	557.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,275.90	3,770.85
	6,134.42	**4,327.90**

Note 22: Income tax liabilities

	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax)	42.01	0.15
	42.01	**0.15**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 23: Other non-financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Deferred liability on discounting of deposits	63.36	188.84
	63.36	**188.84**
Current		
Statutory remittances	262.18	85.21
Deferred liability on discounting of deposits	66.67	66.67
Advance from customers	7,271.97	3,814.82
	7,600.82	**3,966.70**

Note 24: Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from sale of products (refer note 44)	21,215.55	24,087.39
	21,215.55	**24,087.39**
Other operating revenues		
Training and other services rendered	83.14	113.21
Duty drawback	7.68	15.36
	90.82	**128.57**
	21,306.37	**24,215.96**

Note 25: Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income:		
- on deposits with banks	4.32	4.47
- on overdue trade receivables	2.39	104.53
- on others	4.84	7.64
Dividend income	-	0.06
Liabilities/ provisions no longer required written back	101.37	60.94
Sale of scrap	34.74	49.67
Profit on sale of property,plant and equipment (net)	590.46	-
Gain on equity Interest (as result of step acquisition)	-	35.28
Miscellaneous income	302.52	143.72
	1,040.64	**406.31**

Note 26: Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	2,259.16	1,981.93
Add: Purchases	9,067.20	10,514.28
	11,326.36	**12,496.21**
Less: Closing stock	2,743.73	2,259.16
	8,582.63	**10,237.05**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 27: Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of traded goods	1,324.40	929.29
	1,324.40	**929.29**

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the end of the year:		
Finished goods	1,339.90	1,758.51
Work-in-progress	1,351.22	1,088.25
Stock-in-trade	295.96	230.54
	2,987.08	**3,077.30**
Inventories at the beginning of the year:		
Finished goods	1,758.51	1,359.70
Work-in-progress	1,088.25	1,142.20
Stock-in-trade	230.54	319.28
	3,077.30	**2,821.18**
	90.22	**(256.12)**

Note 29: Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	3,020.82	3,353.97
Contribution to provident and other funds	336.76	356.87
Staff welfare expenses	192.27	240.94
	3,549.85	**3,951.78**

Note 30: Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on borrowings	803.73	951.91
Interest on dealers deposits and others	208.96	102.35
Interest on income tax	-	33.83
	1,012.69	**1,088.09**

Note 31: Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on tangible assets (refer note 3)	763.09	679.38
Amortisation on intangible assets (refer note 4)	91.70	61.20
Amortisation on right to use assets (refer note 5)	17.39	15.91
	872.18	**756.49**

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2021
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Note 32: Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	162.48	207.14
Tools consumed	141.31	126.33
Consumption of packing materials	221.98	277.50
Subcontracting	1,558.82	1,842.49
Contract Labour wages	602.69	975.46
Power and fuel	905.05	1,152.73
Rent including lease rentals	188.75	224.71
Repairs and maintenance - Buildings	105.73	122.45
Repairs and maintenance - Machinery	384.36	365.71
Repairs and maintenance - Others	39.91	44.71
Vehicle maintenance	27.28	47.19
Insurance	52.77	42.05
Rates and taxes	34.77	45.04
Travelling and conveyance	294.51	615.66
Freight and forwarding	405.05	428.29
Legal and professional charges	323.76	462.26
Remuneration to auditors (refer note below)	35.82	36.84
Bad debts written off	62.72	50.99
Loss on sale or scrapping of fixed assets	-	9.83
Net loss on foreign currency transactions and translations	17.68	49.26
Provision for doubtful trade receivables	152.00	62.00
Corporate social responsibility expenses	16.26	7.33
Miscellaneous expenses	607.84	666.79
	6,341.54	**7,862.76**

Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2021	Year ended 31 March 2020
For statutory audit	30.23	29.23
For taxation matters	2.33	2.83
For other services	2.84	3.00
Reimbursement of expenses	0.43	1.78
	35.82	**36.84**

Note 33: Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Basic and diluted		
Net profit for the year attributable to the equity shareholders	525.41	313.02
Weighted average number of equity shares	1,20,00,000	1,20,00,000
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic and diluted	4.38	2.61

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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Note 34: Contingencies and commitments

	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
Disputed income tax liabilities		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	4.37	4.37
(iii) AY 2012-13	10.83	10.83
(iv) AY 2014-15	16.26	16.26
(v) Other years	2.72	8.28
	53.28	**58.84**

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

	As at 31 March 2021	As at 31 March 2020
Commitments		
Capital commitments	759.88	672.18
	759.88	**672.18**

Note 35: Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statement based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	858.52	557.05
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	20.44	2.42
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	12.35	-
The amount of interest due and payable for the year	15.66	20.66
The amount of interest accrued and remaining unpaid at the end of the accounting year	23.75	23.08

Note 36: Amounts remitted in foreign currency during the year on account of dividends paid

	Year ended 31 March 2021	Year ended 31 March 2020
Amount of dividends remitted in foreign currency	28.80	96.00
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total of shares held by them on which dividend was due	48,00,000	48,00,000
Years to which dividend relates	2019-20	2018-19

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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Note 37: Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity having significant influence. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2021	As at 31 March 2020
Borrowings (refer note 17)	10,571.67	12,799.18
Trade payables (refer note 21)	6,134.42	4,327.90
Less: Cash and short term deposits (refer note 8)	(584.61)	(97.55)
Less: Bank balances other than cash and cash equivalents (refer note 9)	(64.18)	(66.48)
Net debt	**16,057.30**	**16,963.05**
Equity	1,200.00	1,200.00
Other Equity	16,606.79	16,176.32
Capital and net debt	**33,864.09**	**34,339.37**
Gearing ratio	**47%**	**49%**

Note 38: Income Tax

	Year ended 31 March 2021	Year ended 31 March 2020
The major components of income tax expense are:		
Current income tax:		
Current tax	151.98	70.06
MAT credit entitlement	-	(5.81)
Tax reversal for prior periods	(10.62)	(270.27)
MAT credit entitlement of prior periods	-	(18.12)
	141.36	**(224.14)**
Deferred tax charge/ (credit)		
Relating to the origination and reversal of temporary differences	(75.56)	(11.39)
Income tax expense reported in Statement of Profit and Loss	**65.80**	**(235.53)**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(8.94)	(6.13)
	(8.94)	**(6.13)**
	56.86	**(241.66)**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 38: Income Taxt (Contd.)

	As at 31 March 2021	As at 31 March 2020
Reconciliation of deferred tax liabilities (net)		
Opening balance	365.76	345.89
Tax expense/(credit) during the year recognised in Statement of Profit and Loss	39.05	(11.39)
Tax expense/(credit) during the year recognised in OCI	(8.94)	(6.13)
Temporary differences on account of business combination	-	37.39
Closing balance	**395.87**	**365.76**

	As at 31 March 2021	As at 31 March 2020
Reconciliation of deferred tax assets (net)		
Opening balance	208.87	142.11
Additions during the year	114.41	5.81
Additions/Deletions pertaining to prior periods	(104.57)	18.12
Additions on account of acquisition of subsidiary	-	55.47
Utilized during the year against tax payment	-	(12.64)
Closing Balance	**218.71**	**208.87**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	573.50	52.93
Add/(less):- Intra group eliminations	15.26	(0.63)
Accounting profit	**588.76**	**52.30**
Add: Loss of subsidiary considered separately	370.46	365.04
Accounting profit before tax	**959.22**	**417.34**
Tax on accounting profit at statutory income tax rate [27.82%] (PY 27.82%)	266.86	116.10
Tax on subsidiary at lower rate [26%,27.82%](PY 26%,27.82%)	(102.63)	(95.09)
Reconciling items:		
Expenses/(Incomes) disallowed under Income tax Act, 1961	(7.85)	6.31
Deferred tax not created on unabasorbed losses	6.23	44.87
Additional deductions on new employment	-	(2.42)
Tax reduction on account of Indexation w.r.t transfer of capital asset	(30.22)	-
Tax reduction on account of special rates of tax on Income	(17.59)	-
Tax reversals of earlier years	(10.63)	(270.27)
MAT credit of prior years	-	(18.12)
Deferred tax of earlier years	(38.38)	-
Change in effective rate of taxation from (PY 29.12% to 27.82%)	-	(16.91)
At the effective income tax rate of (27.82%-26%) (PY 29.12%-26%)	**65.80**	**(235.53)**
Income tax expense reported in the Statement of Profit and Loss	**65.80**	**(235.53)**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 38: Income Tax (Contd.)

Details of items disclosed under deferred tax liabilities:

	As at 31 March 2021	As at 31 March 2020
Deferred tax asset		
Provision for employee benefits	130.76	145.56
Allowance for trade receivables	69.98	43.99
Fair value measurement of financial asset/liability	23.97	26.32
Brought forward losses	47.70	127.14
Temporary differences on account of business combination	129.82	129.82
Deferred tax liability		
Depreciation and amortisation	798.10	838.59
Deferred tax (liability), net	**(395.87)**	**(365.76)**

Details of items disclosed under deferred tax asset:

	As at 31 March 2021	As at 31 March 2020
Deferred Tax asset	169.64	55.47
MAT Credit Entitlement	49.07	153.40
Deferred tax asset, net	**218.71**	**208.87**

Note 39: Defined benefit obligations

The Group has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the balance sheet date.

A Defined benefit contributions

The Group makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Povision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Group recognised ₹163.59 lakhs (31 March 2020: ₹167.09 lakhs) for provident fund contributions and ₹101.08 lakhs (31 March 2020: ₹116.11 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.

B Defined benefit plans

The Group has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

b **Liquidity risk**

This is the risk that the Group is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c **Salary escalation risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d **Demographic risk**

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e **Regulatory risk**

Gratuity benefitis are paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts

f **Asset liability mismatching or market risk**

The duration of the liabilty is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

g **Investment risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :

	As at 31 March 2021	As at 31 March 2020
Current service cost	41.38	39.29
Interest cost	33.31	36.31
Expected return on plan assets	(16.41)	(22.94)
Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss	**58.28**	**52.66**
Re-measurement on the net defined benefit liability		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	25.99	24.96
Return on plan assets excluding amount recognised in net interest expense	5.89	5.37
Components of defined benefit costs recognised in other comprehensive income	**31.88**	**30.33**
Actual contribution and benefit payments for year		
Actual benefit payments	61.48	81.32
Actual contributions	50.00	1.00
Net asset / (liability) recognised in the Consolidated Balance Sheet		
Present value of defined benefit obligations	(529.58)	(494.11)
Fair value of plan assets	274.93	239.71
Net asset / (liability) recognised in the Consolidated Balance Sheet	**(254.65)**	**(254.40)**

Note 39: Defined benefit obligations (Contd.)

	As at 31 March 2021	As at 31 March 2020
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	494.11	470.44
Current service cost	39.59	39.29
Past service cost	-	4.43
Interest cost	33.31	36.31
Actuarial (gains) / losses	25.99	24.96
Benefits paid	(63.42)	(81.32)
Present value of DBO at the end of the year	**529.58**	**494.11**
Change in fair value of assets during the year		
Plan assets at the beginning of the year	239.71	297.25
Expected return on plan assets	16.41	22.94
Actual Group contributions	50.00	1.00
Actuarial gains / (loses)	(5.89)	(5.37)
Benefits paid	(25.30)	(76.11)
Plan assets at the end of the year	**274.93**	**239.71**
Actual return on plan assets	10.52	17.57
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	6.80%	6.75%
Expected return on plan assets	6.85%	7.00%
Salary escalation	2.00% for first 2 years and 5% thereafter	2.00% for first 2 years and 5% thereafter
Attrition		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

Note

a The Group is estimated to contribute ₹221.55 lakhs (previous year - ₹195.04 lakhs) towards gratuity funds during the next year.

b Details of fund assets which are managed by an insurance Group have not been disclosed since the details have not been provided by them.

c The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at 31 March 2021	As at 31 March 2020
Impact of change in the discount rate		
Impact due to increase of 1%	(44.62)	(42.42)
Impact due to decrease of 1%	51.98	49.44

Summary of significant accounting policies and other explanatory information

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Note 39: Defined benefit obligations (Contd.)

Impact of change in the salary growth rate		
Impact due to increase of 1%	52.39	49.69
Impact due to decrease of 1%	(45.67)	(43.27)
Impact of change in the attrition rate		
Impact due to increase of 50%	4.82	4.68
Impact due to decrease of 50%	(5.26)	(5.14)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.24	0.23
Impact due to decrease of 10%	(0.24)	(0.24)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods..

Effect of plan on entity's future cash flows

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Group carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group. The weighted average duration of the plan is estimated to be 10 years. Following is a maturity profile of the defined benefit obligation:

Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2021	As at 31 March 2020
1 year	31.14	27.55
2 - 5 years	209.47	178.70
6 - 10 years	225.99	242.87
More than 10 years	670.62	640.37

Compensated absences

	As at 31 March 2021	As at 31 March 2020
Charge in the Consolidated Statement of Profit and Loss	70.10	71.32
Liability as at the year end	255.53	232.90
Actuarial assumptions		
Discount rate	6.80%	6.75%
Salary escalation	2.00% for first 2 years and 5% thereafter	2.00% for first 2 years and 5% thereafter
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the consolidated 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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Segment information

The Managing Director of the Company has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108-Operating Segments. The CODM evaluates the Company performance and allocates resources based on hydraulic business performance and other business performance. Accordingly the segment information has been presented.

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.

	Year ended 31 March 2021				
	Hydraulic business	Other business	Eliminations	Unallocated	Total
Revenue from sale of products	20,822.78	3,880.89	(2,234.83)	-	22,468.84
Operating income	90.82	-	-	-	90.82
Less: Inter segment revenue	(102.94)	(1,150.35)	-	-	(1,253.29)
	20,810.66	**2,730.54**	**(2,234.83)**	**-**	**21,306.37**
Segment result before interest, other income and taxes	2,198.26	(112.59)	139.08	(1,679.20)	545.55
Add:Other income	750.50	140.39	(154.35)	304.10	1,040.64
Less: Finance costs	-	-	-	(1,012.69)	(1,012.69)
Profit before taxes	**2,948.76**	**27.80**	**(15.26)**	**(2,387.79)**	**573.50**
Taxes	-	-	-	-	**65.80**
Profit after taxes	**-**	**-**	**-**	**-**	**507.70**
Add:- Share of profit of associates	-	-	-	-	**10.91**
Add:- Other comprehensive Income	(20.90)	(1.40)	-	(9.58)	**(31.88)**
Taxes	-	-	-	-	**(8.94)**
Total Comprehensive Income	-	-	-	-	**495.67**

	Year ended 31 March 2020				
	Hydraulic business	Other business	Eliminations	Unallocated	Total
Revenue from sale of products	22,980.65	4,522.15	(2,266.27)	-	**25,236.53**
Operating income	132.57	0.48	(4.48)	-	**128.57**
Less:- Inter segment revenue	(87.16)	(1,061.98)	-		**(1,149.14)**
	23,026.06	**3,460.65**	**(2,270.75)**	**-**	**24,215.96**
Segment result before interest, other income and taxes	2,730.26	(67.60)	117.72	(2,045.67)	**734.71**
Add:Other income	231.67	90.55	(152.39)	236.48	**406.31**
Less: Finance costs	-	-	-	(1,088.09)	**(1,088.09)**
Profit/(loss) before taxes	**2,961.93**	**22.95**	**(34.67)**	**(2,897.28)**	**52.93**
Taxes	-	-	-	-	**(235.53)**
Profit after taxes	**-**	**-**	**-**	**-**	**288.46**
Add:- Share of profit of associates	-	-	-	-	**13.87**
Add:- Other comprehensive Income	(21.28)	(0.18)	-	(8.87)	**(30.33)**
Taxes					**(6.13)**
Total Comprehensive Income	-	-	-	-	**278.13**

Note:

Assets and liabilities used in the Company's business are not identified to any of the operating segments, as they can be used interchangeably between segments.

Summary of significant accounting policies and other explanatory information

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Note 40: Segment information (Contd.)

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Revenues from external customers for each product or each group of similar products		
Sale of products	21,215.55	24,087.39
	21,215.55	**24,087.39**
Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues		
India	20,769.94	23,354.42
Outside India	445.61	732.97
	21,215.55	**24,087.39**
Non-current assets (other than financial instruments and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets		
India	13,745.92	13,042.94
Outside India	-	-
	13,745.92	**13,042.94**
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale		
Revenue from top customer	1,187.04	1,725.37
Percentage	5.60%	7.16%

Note 41: Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	6	447.20	-	-
Loans	7			
Loan to employees		4.98	-	-
Others		0.20	-	-
Cash and cash equivalents	8	584.61	-	-
Bank balances other than cash and cash equivalents	9	64.18	-	-
Other financial assets	10			
Balance held as margin money account		19.67	-	-
Security deposits		286.17	-	-
Interest accrued on deposits		13.11	-	-
Other receivables		50.00	-	-
Trade receivables	14	9,220.86	-	-
Total		**10,690.98**	**-**	**-**
Liabilities:				
Borrowings	17	9,346.10	-	-
Trade payables	21	6,134.42	-	-
Lease Liabilities	18	57.71		
Other financial liabilities	19			
Security deposit received towards joint development of property		419.97	-	-
Trade / security deposits received		551.48	-	-

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All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Fair value measurements (Contd.)

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows: (contd.)

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Payable to employees		375.83	-	-
Current maturities of long-term borrowings		1,225.57	-	-
Interest accrued but not due on borrowings		19.14	-	-
Unpaid dividends		6.59	-	-
Payables on purchase of fixed assets		121.17	-	-
Interest accrued on trade payables		20.52	-	-
Commission payable on account of Joint development of property		44.35		
Accrued liabilities		184.30	-	-
Others		2.23	-	-
Total		**18,509.38**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	6	436.29	-	-
Loans	7			
Loan to employees		10.57	-	-
Others		0.20	-	-
Cash and cash equivalents	8	97.55	-	-
Bank balances other than cash and cash equivalents	9	66.48	-	-
Other financial assets	10			
Balance held as margin money account		11.13	-	-
Security deposits		264.93	-	-
Interest accrued on deposits		8.79	-	-
Other receivables		50.00	-	-
Trade receivables	14	7,801.22	-	-
Total		**8,747.16**	**-**	**-**
Liabilities:				
Borrowings	17	11,556.47	-	-
Trade payables	21	4,327.90	-	-
Lease Liabilities	18	73.20		
Other financial liabilities	19			
Security deposit received towards joint development of property		694.16	-	-
Trade / security deposits received		555.48	-	-
Payable to employees		281.82	-	-
Current maturities of long-term borrowings		1,242.70	-	-
Interest accrued but not due on borrowings		16.02	-	-
Unpaid dividends		6.35	-	-
Payables on purchase of fixed assets		95.16	-	-
Interest accrued on trade payables		20.16	-	-
Commission payable on account of Joint development of property		95.31		
Accrued liabilities		226.70	-	-
Others		2.55	-	-
Total		**19,193.98**	**-**	**-**

Summary of significant accounting policies and other explanatory information

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Note 41: Fair value measurementss (Contd.)

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments..

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	-	-

As at 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	-	-

Note 42: Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Financial risk management (Contd.)

Assets under credit risk

	As at 31 March 2021	As at 31 March 2020
Investments	447.20	436.29
Loan to employees	4.98	10.57
Others	0.20	0.20
Cash and cash equivalents	584.61	97.55
Bank balances other than cash and cash equivalents	64.18	66.48
Balance held as margin money account	19.67	11.13
Security deposits	286.17	264.93
Interest accrued on deposits	13.11	8.79
Other receivables	50.00	50.00
Trade receivables	9,220.86	7,801.22
	10,690.98	**8,747.16**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	158.12	131.67
Impairment loss recognised	152.00	62.00
Impairment loss reversed	(57.42)	(35.55)
Balance at the end	**252.70**	**158.12**

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

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All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Financial risk management (Contd.)

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	9,155.13	1,613.74	-	10,768.87
Lease liabilities	21.57	44.94	-	66.51
Trade payables	6,134.42	-	-	6,134.42
Other financial liabilities	1,762.54	40.75	-	1,803.29
Total	**17,073.66**	**1,699.43**	**-**	**18,773.09**

As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	10,222.25	2,845.56	-	13,067.81
Lease liabilities	21.57	66.51		88.08
Trade payables	4,327.90	-	-	4,327.90
Other financial liabilities	1,296.58	697.13	-	1,993.71
Total	**15,868.30**	**3,609.20**	**-**	**19,477.50**

(C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Group operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Included In	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	3.98	291.84	2.97	222.35
	JPY	9.90	6.56	5.35	3.69
	GBP	0.09	8.76	0.27	24.82
	EURO	0.18	16.48	-	-
EEFC balances	USD	0.41	30.25	0.16	11.76
Financial liabilities					
Trade payables	USD	11.83	869.22	6.00	448.31
	JPY	-	-	1.60	1.10
	EURO	0.83	69.90	0.32	26.03

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Financial risk management (Contd.)

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase 31 March 2021	Decrease 31 March 2021	Increase 31 March 2020	Decrease 31 March 2020
Sensitivity				
INR/USD	5.46	(5.46)	2.14	(2.14)
INR/EURO	0.55	(0.55)	0.26	(0.26)
INR/JPY	0.07	(0.07)	0.04	(0.04)
INR/GBP	0.09	(0.09)	0.25	(0.25)

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowing	8,936.12	10,234.43
Fixed rate borrowing	1,635.55	2,564.75
Total borrowings	**10,571.67**	**12,799.18**
Amount disclosed under other current financial liabilities	1,225.57	1,242.71
Amount disclosed under borrowings	9,346.10	11,556.47

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2021	31 March 2020
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	89.36	102.34
Interest rates – decrease by 100 basis points (100 bps)	(89.36)	(102.34)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Related party disclosures

Nature of relationship		Name of related parties
I	Associate companies	Sai India Limited Bourton Consulting (India) Private Limited Kolben Hydraulics Ltd (Associate upto 30 June 2019)
II	Key Management Personnel (KMP)	C P Rangachar - Managing Director H M Narasinga Rao - Chief Financial Officer K. GopalKrishna- Executive Director. A. Venkata Krishnan- Chief Executive Officer Vinayak Hegde - Company Secretary
III	Relatives of KMP	Vidya Rangachar Madhuri Rangachar
IV	Entity having significant influence	Yuken Kogyo Co Limited
V	Entities controlled by significant shareholder	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Foshan) Co Limited Yuken Sea Co Limited
VI	Parties in which key management personnel or their relatives have significant influence	Al Khoor Pumps and Hydraulic Machines TR. (LLC) Benefic Investment and Finance Company Private Limited
VII	Other related parties	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

VIII Details of related parties transactions for the year ended 31 March 2021 and 31 March 2020 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of fixed assets			
Yuken Kogyo Co Limited	Entity having significant influence	-	1.05
Purchase of goods and services received			
Yuken Kogyo Co Limited	Entity having significant influence	1,380.65	1,039.19
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	454.56	405.15
Sai India Limited	Associate	-	0.28
Kolben Hydraulics Limited	Associate(upto 30 June 2019)	-	43.21
Bourton Consulting (India) Private Limited	Associate	5.42	33.49
Brand fees paid			
Yuken Kogyo Co Limited	Entity having significant influence	65.48	78.48
Sale of goods and services			
Yuken Kogyo Co Limited	Entity having significant influence	6.94	10.26
Yuken Hydraulics (T.W) Co Ltd	Entities controlled by significant shareholder	11.64	8.45
Yuken Europe Limited	Entities controlled by significant shareholder	22.00	23.40
Yuken Korea Co Ltd	Entities controlled by significant shareholder	22.33	36.84
Sai India Limited	Associate	14.86	2.81
Kolben Hydraulics Ltd	Associate(upto 30 June 2019)	-	1.04
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	4.90	55.70
Rent received			
Kolben Hydraulics Ltd	Associate(upto 30 June 2019)	-	0.53
Dividend paid			
Yuken Kogyo Co Limited	Entity having significant influence	28.80	96.00
C P Rangachar	KMP	0.51	1.69
Vidya Rangachar	Relative of KMP	0.10	0.32

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2021	Year ended 31 March 2020
Madhuri Rangachar	Relative of KMP	0.05	0.16
Benefic Investment and Finance Company Private Limited	Parties in which KMP or their relatives have significant influence	8.35	27.84
Remuneration including commission			
C P Rangachar	KMP	62.33	69.20
H M Narasinga Rao	KMP	48.91	47.62
Vinayak Hegde	KMP	6.85	5.92
K. GopalKrishna	KMP	56.88	56.55
A. Venkata Krishnan	KMP	26.93	27.92
Payment towards expenses			
Vidya Rangachar	Relative of KMP	1.80	1.80
Reimbursement of expense(net)			
Yuken Kogyo Co Limited	Entity having significant influence	0.77	3.30
Contribution to post employment benefit plans			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	50.00	1.01
Yuken India Employees Superannuation Fund	Post -employment benefit plan	97.55	107.92

IX Details of amounts outstandings from related parties as at 31 March 2021 and 31 March 2020 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2021	As at 31 March 2020
Amount outstanding (Receivables)			
Yuken Kogyo Co Limited	Entity having significant influence	3.63	3.84
Yuken Hydraulics (T.W) Co Ltd	Entities controlled by significant shareholder	3.85	6.22
Yuken Europe Limited	Entities controlled by significant shareholder	8.76	24.82
Sai India Limited	Associate	16.33	5.19
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	185.66	201.48
Amount outstanding (Payables)			
Yuken Kogyo Co Limited	Entity having significant influence	804.86	336.05
Yuken Hydraulics (T.W) Co Ltd	Entities controlled by significant shareholder	143.89	103.72
Sai India Limited	Associate	-	3.68
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	0.11	0.11
Bourton Consulting (India) Private Limited	Associate	0.29	2.10
Key Management personnel remuneration payable			
C P Rangachar-Managing Director	KMP	4.00	4.00
H M Narasinga Rao-Chief Financial officer	KMP	20.98	16.35
Vinayak Hegde-Company Sectretary	KMP	0.58	0.43
K. Gopalkrishna-Executive Director	KMP	21.87	17.42
A. Venkatakrishnan-Chief Executive officer	KMP	6.80	5.35

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Ind AS 115 – Revenue from Contracts with Customers

i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	31 March 2021	31 March 2020
Sale of products			
Finished goods	At point in time	21,215.55	24,087.39
Sale of Services			
Training and other services rendered	Over a period of time	83.14	113.21
Duty drawback	At point in time	7.68	15.36

ii) Contract balances

	31 March 2021	31 March 2020
Trade receivables	9,220.86	7,801.22
Contract liabilities – Advance from customers	7,271.97	3,814.82

Contract liabilities include advances received from customers. The outstanding balances of these accounts has increased primarily on account of satisfaction of performance obligation subsequent to year-end against which the advances were received during the year.

Contract liabilities - Advance from customers include the advances received from customers on the booking of residential units

iii) Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated

Sale of services

The performance obligation is satisfied over-time or point in time based on the nature of services and payment is generally due upon completion of services.

Sale of developmental rights

The performance obligation is satisfied at a point in time when the obligation of transferring the development rights are fulfilled..

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 45: Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and its comparatives on an undiscounted basis:

	As at 31 March 2021	As at 31 March 2020
Within one year	16.96	15.48
After one year but not more than five years	40.75	57.72
	57.71	**73.20**

	Year ended 31 March 2021	Year ended 31 March 2020
Amount recognised in Statement of Cash Flow Statement		
Total cash outflow for leases - principal	15.48	13.66
Total cash outflow for leases - interest	6.09	6.12

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate amortisation of ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (refer note 31).

The Group has applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application in accordance with Ind AS 116. Rental expense recorded for short-term leases was ₹188.75 lakhs for the year ended 31 March 2021.(31 March 2020 ₹224.71 lakhs)

Note 46: 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 (net of eliminations)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)		Share of OCI		Share of total profit/(loss) for the year	
	%	Amount	%	Amount	%	Amount	%	Amount
Yuken India Limited	84%	14,872.32	640%	3,318.30	100%	(23.05)	665%	3,295.25
Subsidiaries								
Yuflow Engineering Private Limited	1%	144.18	-13%	(68.77)	0%	-	-14%	(68.77)
Coretec Engineering India Private Limited	3%	601.59	-351%	(1,819.43)	-5%	1.08	-367%	(1,818.35)
Grotek Enterprises Private Limited	11%	1,900.91	-199%	(1,031.05)	4%	(0.97)	-208%	(1,032.02)
Kolben Hydraulics Limited	2%	284.39	21%	108.64	0%	-	22%	108.64
Associates (Investment as per the equity method)								
Sai India Limited	-	-	2%	12.56	-	-	3%	12.56
Bourton Consulting (India) Private Limited	-	-	0%	(1.64)	-	-	0%	(1.64)
Total	**100%**	**17,803.39**	**100%**	**518.61**	**100%**	**(22.94)**	**100%**	**495.67**

Note 47: Details of equity accounted in associates are as follows:

	Original Cost of Investment	Goodwill/ (Capital Reserve)	Accumulated Profit/ (Loss) as at 31 March 2021	Carrying amount of Investment at 31 March 2021
Sai India Limited	20.00	(20.60)	421.80	441.80
Bourton Consulting (India) Private Limited	3.73	-	1.67	5.40
Total	**23.73**	**(20.60)**	**423.47**	**447.20**

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

All amounts are in ₹ lakhs, unless otherwise stated

Note 48: Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare animal welfare, setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

	Year ended 31 March 2021	Year ended 31 March 2020
Gross amount required to be spent during the year #	23.74	19.07
Amount spent during the year	16.26	7.33
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	16.26	7.33
iii) Transferred to separate bank account	-	-
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

Amounts computed is based upon profits as per relevant GAAP applicable for the respective years.

Note 49: Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139

Place: Bengaluru
Date: 07 June 2021

For and on behalf of the Board of Directors of Yuken India Limited

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

C P Rangachar
Managing Director
DIN: 00310893

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 07 June 2021

YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

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

E mail Id: vinayak.hegde@yukenindia.com. Contact No.+91 97316 10341
Website: www.yukenindia.com.

E COMMUNICATION REGISTRATION FORM

To
KFIN TECHNOLOGIES PRIVATE LIMITED
UNIT: YUKEN INDIA LIMITED
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District.
Nanakramguda, Hyderabad - 500 032

GREEN INITIATIVE IN CORPORATE GOVERNANCE

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Board's Report, Auditor's Report etc. In electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs. Please register my E-Mail id as given below, in your records, for sending the communications and you can also register your details in below mentioned link:

https://forms.office.com/Pages/ResponsePage.aspx?id=50YGarl49U-14qW1r929neOqM593jO9MhQvF7NJUcxUOVhES0xlUFdlMEhXQTVVTTFZRlVCT09VTC4u

Folio No./ DP Id & Client Id No.	
Name of 1st Registered Holder	
Name of Joint Holder(s), If Any	
Registered Address of the Sole/ 1st Registered Holder	
No. of Shares Held	
E-Mail Id (to be registered)	

Date: .... Signature..

NOTE:

1. On registration, all communications will be sent to the E-Mail Id registered.
2. The form is also available on the website of the Company www.Yukenindia.com under the section Investor - Investor Services.
3. Shareholders are requested to keep the Company's registrar-KFIN Technologies Private Limited informed as and when there is any change in the E-Mail address.

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