
		<b>YUKEN INDIA LIMITED</b> An ISO 9001:2015 Company <b>Manufacturers of Oil Hydraulic Equipment</b> IN COLLABORATION WITH YUKEN KOGYO CO. LTD., JAPAN. <b>CIN: L29150KA1976PLC003017</b>			
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/2024	E-mail:	hmn_rao@yukenindia.com		
Date:	12/08/2024	Web:	www.yukenindia.com		

Dear Sir/Madam,

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

**The General Manager,**  
**Listing Compliance & Legal Regulatory,**  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400051  
**NSE Scrip Code: YUKEN**

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

With reference to captioned subject and 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 2023-24.

The copy of the Annual Report is available on the website of the Company viz., <https://www.yukenindia.com/> under Investor Section – Financial Statement-Annual Report: 2023-2024 or also access <https://www.yukenindia.com/report-result/>

Kindly acknowledge the receipt.

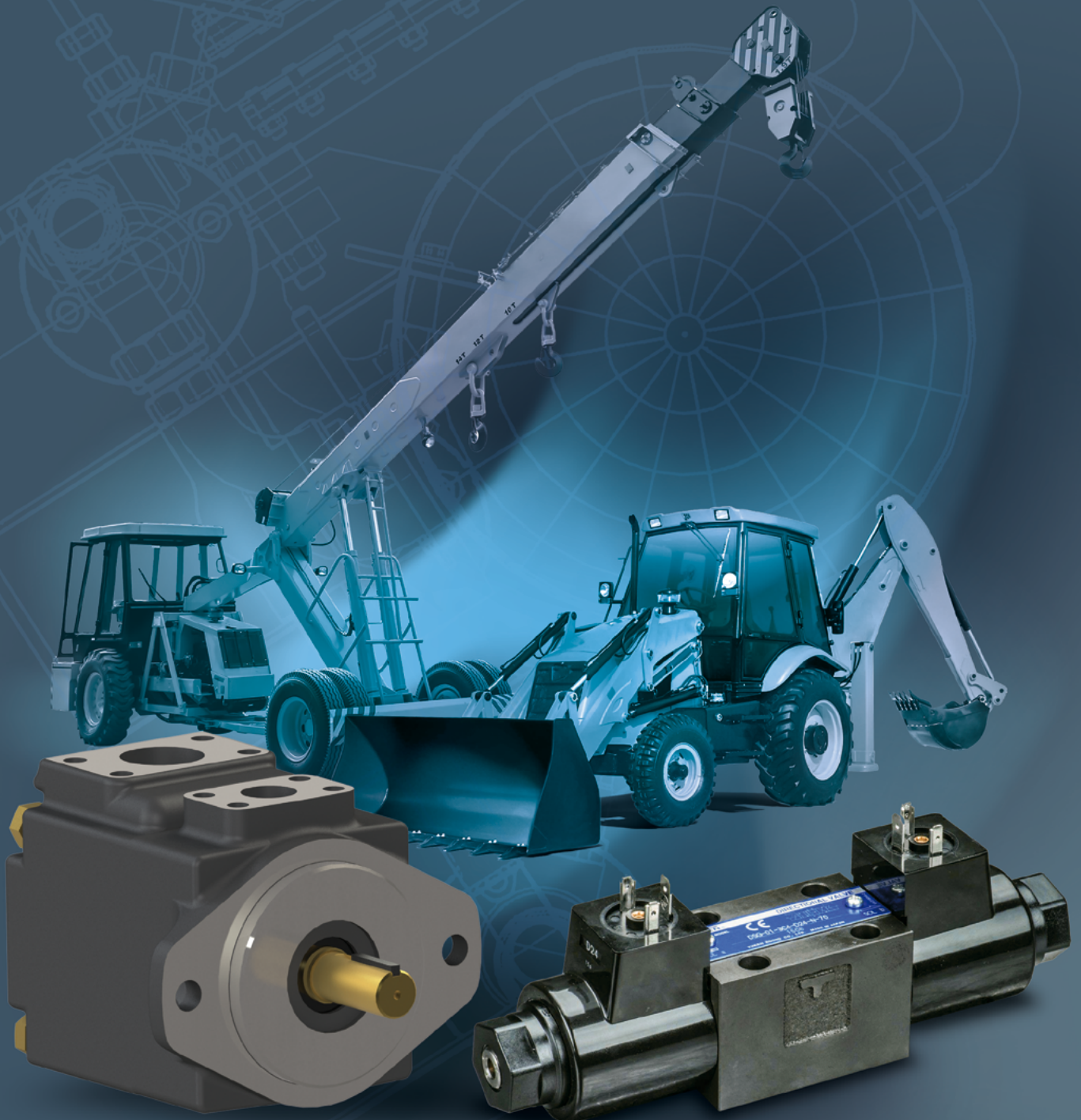
Thank you.

**For & on behalf of,**  
**Yuken India Limited**

**Suchithra R**  
**Compliance Secretary & Compliance officer**

Yuken India Limited  
Annual Report 2023-24

# STRATEGIC CONSISTENCY



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### 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 a 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.

# Corporate Information

## Board of Directors

- Mr. Hidemi Yasuki, *Chairman*
- Mr. Hideharu Nagahisa
- Mr. Yoshitake Tanaka, *Whole time Director*
- Mr. R Srinivasan
- Dr. Premchander
- Mrs. Indra Prem Menon
- Mr. K Chandrashekhar Sharma
- Mr. T Parabrahman
- Mrs. Vidya Rangachar
- Mr. C P Rangachar, *Managing Director*

## Chief Financial Officer

- Mr. H M Narasinga Rao

## Company Secretary

- Ms. Suchithra R

## 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 560 048.

## Corporate office & Main plant

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

## Registrar & Transfer Agent

### KFin Technologies Limited

- (Formerly known as KFin Technologies 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 1509
- Toll free number: 1- 800-309-4001
- E-mail Id: einward.ris@kfintech.com
- Website: [www.kfintech.com](http://www.kfintech.com) <https://ris.kfintech.com/>



## • Strategic **consistency**

The Indian economy appears to have entered a multi-year phase of sustainable growth on the back of increased investments in capital goods, machinery and infrastructure across sectors driven by robust consumer demand.

Yuken India's world class hydraulic equipment and solution forms the backbone of machinery and equipment used in all core industrial sectors like agriculture, infrastructure and capital goods. Our decades of experience in understanding customer needs for high equipment uptime and ability to locally manufacture world-class hydraulics solutions has made us the preferred choice of customers.

Continuous investments in R&D, capacity enhancements and partnering with global companies to access technology across a range of solutions has led to sustained momentum in our growth story. The company has leveraged on these strengths to increase penetration in the infrastructure segment like construction equipment and mobile machinery. This consistency is expected to strengthen the company's competitiveness, translating into superior value for all stakeholders associated with company.



## Yuken India Limited

The company is positioned to catalyse the prospects of the Indian economy.

The company addresses a range of sectors comprising to the country's infrastructure, automobile and consumer-driven segments.

The company services customer expectations with quality hydraulic equipment, components, castings and services.



### Our track record

The company was established in 1976 through a technical and financial collaboration with Yuken Kogyo Company Limited, Japan (YKC), a leading global provider of oil hydraulic equipment. The Company leverages the rich 90-plus-year global experience of its collaborator. The Company's business is guided by the capable leadership and experience of Mr. C.P. Rangachar, who serves as the Managing Director. The company is supported by a dedicated team of experienced professionals and skilled workers across its manufacturing facilities.

### Dependable vendor-partner

The Company specializes in the manufacture of hydraulic components like pumps, valves, cylinders, accessories and package systems; these are core to engineering systems. The capabilities comprise advanced manufacturing technologies, cutting-edge equipment and quality control systems. These competencies address customer needs in industrial and mobile applications across sectors.

### Our credit rating

The company maintained its BBB rating with a Stable outlook rating for long-term bank facilities in FY 2023-24. These factors underscore the robustness of its business model, financial stability, promoter credibility, product excellence, and longstanding stakeholder relationships .

### Our distribution channel

The company comprises an expansive distribution network across India, with over 45 channel partners. In the fiscal year 2023-24, it exported products to 19 countries, including shipments to Yuken Group companies the world over.

### Credible certifications

The company's dedication to excellence is evident in its ISO 9001:2015 certification, which signifies stringent process discipline and consistency.

### Our employees

As of March 31<sup>st</sup>, 2024, the Yuken team consisted of 1144 employees. The workforce possess diverse talents including an expertise in engineering, product design, manufacturing, quality control, finance, sales, service, and regulatory compliance, among other capabilities.

### Our longstanding clients

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

### Listing

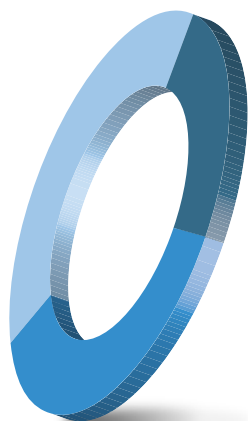
The company's equity shares are actively traded on the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE). As of March 31<sup>st</sup>, 2024, the company's market capitalization stood at Rs.1059 crore.

## Our potential and abilities

Based in Bengaluru, the company operates nine cutting-edge manufacturing facilities across Bengaluru, Malur (Karnataka), Mumbai and Haryana.

Locations	Plant	Product
Bangalore, Karnataka	Four	Pumps and Valves Components, Precision Ground Spools, Powerpacks, Solenoid Coils, Iron Cores, Electric Motors and filters
Malur, Karnataka (near Bengaluru)	Four	Pumps, Valves and Power packs, Hydraulics Manifold Assemblies, Chips, Compacting Machines, Castings and Cylinders.
Mumbai, Maharashtra	One	Hydraulic Power Units
Bahadurgarh, Haryana	One	Hydraulic Power Units

## Our revenues by product segments, FY 2023-24



- 24%, Pumps business
- 37%, Valves business
- 39%, Power packs

## Our subsidiaries and associates

### Our subsidiaries

**Grotek Enterprises Private Limited** (manufactures precision ferrous castings and tooling for the foundry),

**Coretec Engineering India Private Limited** (manufactures solenoids, precision ground spools).

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

### Our associates

The Company's associates comprise SAI India Limited (manufactures hydraulic motors in collaboration with SAI s.p.a.-Italy), Bourton Consulting (India) Private Limited (engaged in lean manufacturing consulting) and AEPL Grotek Renewable Energy Private Limited (engaged in generation of wind power).

## Big numbers

### Our manufacturing capacities (units per annum)

**90,000**

Numbers, pumps

**780,000**

Numbers, valves

**20,000**

Numbers, power packs

**13,000**

Tonnes, foundry

## The sectors we service

Agriculture	Capital goods	Construction
Defense	Machine tools	Plastic machinery
Power	Steel	Other infrastructure sectors

## Our global footprint

23

Countries with our Group's sales and service offices

29

Countries of our Group's presence

6

Countries with our Group's manufacturing plants

### Manufacturing plants

Japan, India, Taiwan, Korea, China and the United Kingdom

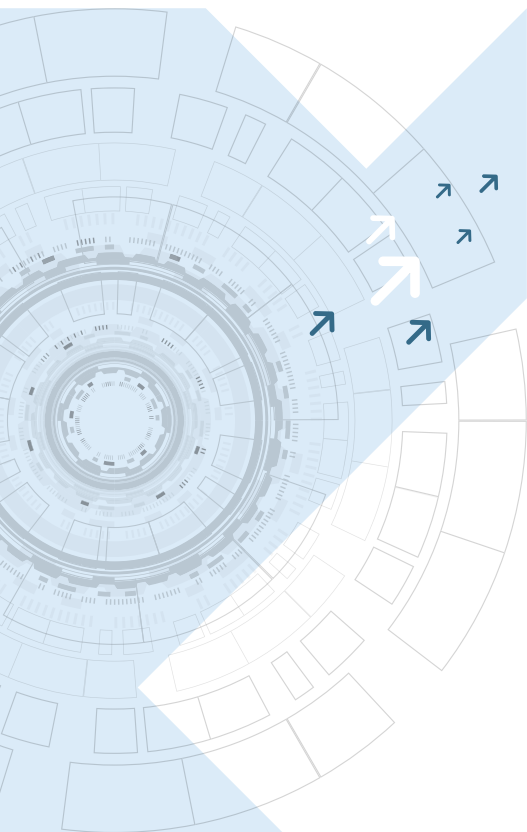
### Sales and services offices

Taiwan, Korea, China, Hong Kong, Thailand, Malaysia, Vietnam, Indonesia, Singapore, Philippines, Australia, New Zealand, Belgium, Denmark, France, Ireland, Italy, Norway, Portugal, Poland, Russia and Spain



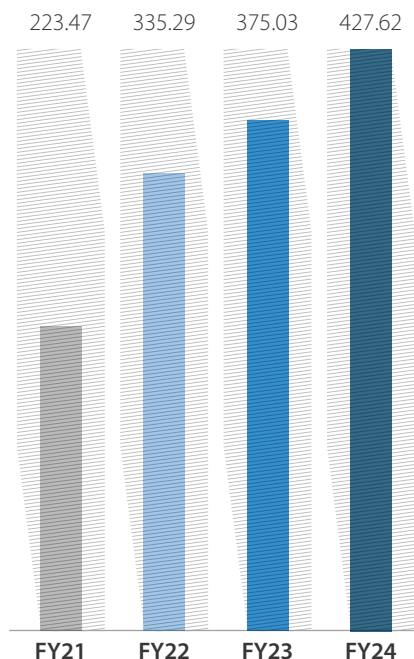


# Our growth performance across the years



## Revenues

(in Rs. crore)

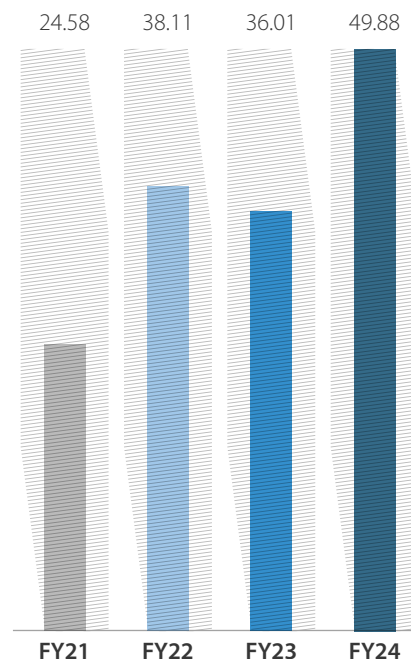


### Value impact

The Company reported a 14% growth in sales revenue to Rs. 427.62 Crore empowered by the growth of the Indian economy.

## EBITDA

(in Rs. crore)



### Value impact

The Company reported an EBITDA growth of 38.50% in FY2023-24, following attractive revenue growth and protected competitiveness.

# Our growth performance across each quarter for FY 2023-24

## Revenues

(in Rs. crore)

Year 2023-2024	Q1	Q2	Q3	Q4
Standalone	80.82	88.33	95.74	106.09
Consolidated	95.84	102.63	108.42	120.73

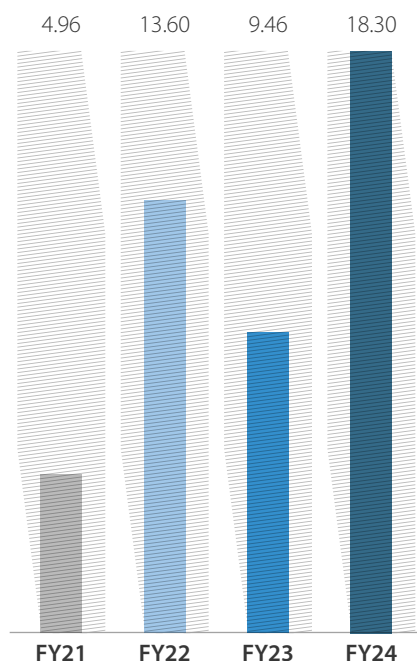
## EBITDA

(in Rs. crore)

Year 2023-2024	Q1	Q2	Q3	Q4
Standalone	7.07	7.06	9.66	12.81
Consolidated	9.28	10.35	13.56	16.69

### Net profit

(in Rs. crore)

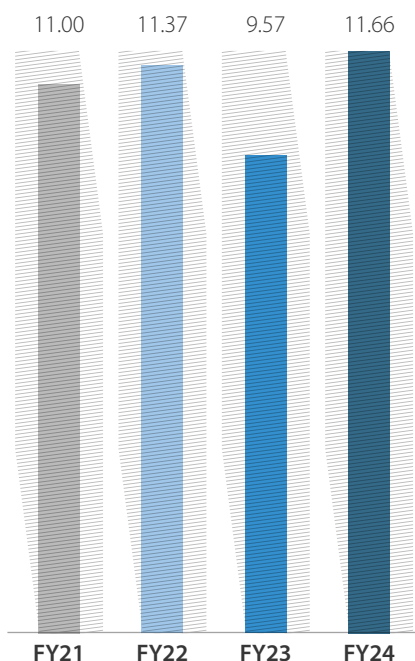


#### Value impact

The Company reported a growth in net profit from Rs. 9.46 Crore in FY 2022-23 to Rs. 18.30 Crore in FY 2023-24.

### EBITDA margin

(%)

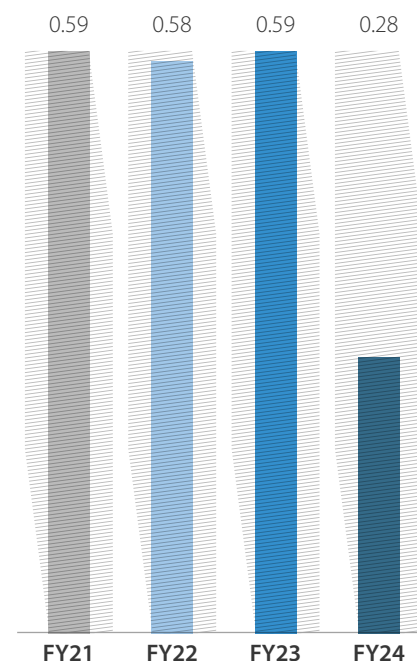


#### Value impact

The Company reported a 2.06% increase in its EBITDA margin in FY2023-24.

### Gearing

(times)



#### Value impact

The Company reported a moderated gearing ratio, a sign of growing strength.

### Profit before tax

(in Rs. crore)

Year 2023-2024	Q1	Q2	Q3	Q4
Standalone	2.67	3.17	6.05	9.06
Consolidated	3.11	4.80	8.00	10.86

### Profit after tax

(in Rs. crore)

Year 2023-2024	Q1	Q2	Q3	Q4
Standalone	1.61	2.23	4.33	6.08
Consolidated	1.32	3.98	5.55	7.45

# Our Chairman's perspective



## Overview

My communication to you last year indicated that your company was at the cusp of a new growth phase.

The opportunities facing the Indian manufacturing sector now indicate a sizable opportunity for your company. There will be growing capital spend across a range of sectors, resulting in the increased downstream demand for products and solutions delivered by your company.

Your company's Japanese parent recognised this prospect and responded with initiatives leverage long-term prospects. The parent company transferred the technology to manufacture a larger range of products that would be consumed by downstream sectors in India. Besides it will also empower the company to manufacture a wider range of products in India for international market. The parent company increased its stake in the Indian constituent by 4.62 per cent following an equity infusion of Rs. 63 crore during the last financial year. This provides your company now adequate growth capital to accelerate its momentum.

Following the pandemic, the western world is seeking to reinforce its supply chain with the induction of alternative non-Chinese manufacturers located proximate to their consumption centres.

India is expected to capitalise on this reality. The country possesses a broadbased manufacturing base, attractive manufacturing economies, rich engineering talent to customise products and solutions, and a deep metallurgical cum engineering pedigree.

There is a growing priority for downstream players to engage with ESG-driven vendors. I am pleased to communicate that your company has been ESG-respecting from the time it went into existence. This commitment has been consistently marked by responsible stakeholder practices, deep environment respect, complete alignment with prevailing compliance requirements, strategic consistency, operating transparency and a focus on enhancing consistent value.

We are engaged in building our company for the next round of growth and we are attractively placed to grow more consistently with responsibility, profitability and sustainability.

**Hidemi Yasuki**  
Chairman

# Our Managing Director's business review

## Overview

I present this report with pleasure, given your company's credible performance during the last financial year.

The company reported a 14 per cent growth in revenues during the year under review. This percentage outperformance was the result of an interplay between the company's knowledge, experience, brand, capacity, capabilities and market growth.

From a consolidated perspective, your company reported revenues that crossed Rs.100 crore per quarter for three of four quarters during the year under review. Your company reported a consolidated EBITDA of Rs.49.88 crore in FY 24 compared with Rs.36.01 crore in the previous year; the company's consolidated profit after tax was Rs.18.30 crore compared with Rs.9.46 crore in the previous year.

India is not only the fastest growing major global economy; it is also marked by an extensive under-consumption of products that is only now beginning to correct as disposable incomes and aspirations rise. In view of this, we see the country at an inflection point of demand growth that should translate into a higher order book for companies like ours.

Much of the optimism coming out of India is traced to the Indian government's sustained commitment to a disproportionate increase in infrastructure outlay. What used to be an infrastructure outlay of Rs.5.54 lakh crore for the infrastructure sector until FY 2021-22 increased to Rs.10 lakh crore in FY 2023-

24 and Rs.11.11 lakh crore in the Interim Budget of FY 2024-25.

Your company possesses the right complement of products to address a projected growth in capital expenditure across sectors. Your company's products are backed by timely service. Your company enjoys long-standing customer relationships as a result of which we remain the preferred brand of first recall each time the customer seeks to reinvest in assets.

Our parent company did not just deepen its commitment to our future through a larger investment. It made the largest portfolio allocation that helped widen our offerings in the Indian market, marked by product sophistication and portfolio choice. We are now competently placed to manufacture the complete range of products of the Japanese parent, a signal of the maturing of the Indian market and our capability.

The range of government initiatives to deepen the role of the manufacturing sector, and the emphasis on the role of Make in India will be beneficial for your company's growth.

Your company will sustain focus on the growth coming out of three sectors (Infrastructure, Agriculture and Defence). The Indian government is making unprecedented investments in infrastructure, while deepening its agriculture focus that empowers farmers to enhance mechanisation and made a decisive change in its defence sector by banning the import of more than 100

items generally procured by the defence sector, reviving the domestic sector.

Your company's consolidated business performed creditably during the last financial year enhanced by the performance of the foundry business. The subsidiaries surplus increased the standalone EBITDA from 9.57 percent to a consolidated EBITDA of 11.66 percent.

Going ahead, your company will continue to invest in automation with the objective of enhancing process discipline, product quality and talent productivity. This investment will also empower the company to benchmark costs in line with global standards. These realities, backed by strategic consistency, should generate a steady 12-15 per cent growth in revenues across the next several years.

**C P Rangachar**  
Managing Director







**Education**

Taking notes in a classroom

Utilising a paper notebook

*Driven by Yuken India's hydraulic solution*



**Utilising plastic products**

Deep integration of plastic in everyday lives

Plastic products manufactured on injection moulding machines

*Driven by Yuken India's hydraulic solution*



**Meals and food**

Integral to food raising

Soil prepared using a tractor

*Driven by Yuken India's hydraulic solution*

How Yuken indirectly touches our everyday lives



**Residing at home**

Built with cement

Building material sourced from transit mixers

*Driven by Yuken India's hydraulic solution*



**Daily commute**

Use a personal or public vehicle

Automobiles manufactured using steel

*Driven by Yuken India's hydraulic solution*



**Workplace environment**

Large floor plate; tall structure

Built with advanced construction equipment

*Driven by Yuken India's hydraulic solution*



**Utilising electrical infrastructure**

Sourced from thermal/hydroelectric power station

*Driven by Yuken India's hydraulic solution*



## Yuken's Atmanirbhar Bharat story

90

% of revenues from products  
manufactured in India,  
FY 2023-24

### How Yuken is competently placed to capitalize

Active investment in research and development (R&D) for new product development and local manufacturing.

Collaborated with six global companies to access technology across a range of products.

Backward integration and collaboration with SMEs to manufacture a diverse range of components.

Comprehensive range of locally manufactured hydraulic products, offering a one-stop solution.

Extensive pan-India network of offices, dealers, and service providers.

Catering to infrastructure and construction equipment companies in need of domestically manufactured components.

STRATEGIC CONSISTENCY

# At Yuken, we have strengthened our engineering excellence **to deliver a superior customer experience**

## Overview

Yuken is a leading provider of hydraulic solutions, committed to support Indian industries with technologies tailored to local needs. The company comprises manufacturing facilities in Karnataka, Maharashtra, and Haryana, focusing on innovative hydraulic technologies designed to meet local demands.

### Re-engineering

Yuken has innovated within the machine tools industry by designing and manufacturing compact, high-speed and efficient hydraulic equipment. The company's hydraulic power units (HPUs) are precisely engineered to optimize performance and value.

### Timely localization

A prominent PSU required OEM support to localize vehicle recovery efforts for vehicles trapped in sand or marshy areas. Yuken responded with improvements and localization initiatives that fulfilled the customer's needs.

### Engineering capability

Yuken's cost-effective solutions stem from design innovation rather than material reduction. A dedicated team of 100 technical experts drive innovation, focusing on product application, design engineering, research & development, new product development, and customised local solutions.

### Research matrix

- Product enhancements
- Product upgrades
- New applications
- Cutting-edge technologies

### Product matrix

- Hydraulic power units
- Valves and solenoids
- Precision machining
- Hydraulic cylinders
- Electric motors
- Casting for hydraulic equipment
- Hydraulic pumps

### Customer matrix

- Machine tools companies
- Plastic moulding companies
- Power generation plants
- Defence machinery
- Mobile and construction machinery
- Steel and other metal manufacturing and processing plants

### Solutions matrix

- Design
- Material
- Process
- Assembly
- Testing
- Services



## Our consolidated value

### Machine tools

Utilised in tool clamping, fixturing and metal forming machinery.

### Plastic machinery

Utilised in molding machines for manufacturing car dashboards, bumpers, washing machine casings, among others.

### Power generation

Utilised in windmills and hydroelectric plants.

### Construction machinery

Utilised in road building, residential and commercial concrete machinery, as well as excavators for earth digging and transporting.

### Defence

Various programmes under the Atma Nirbhar Bharat and Make in India initiatives.

Product	Pumps	Valves	Others
Types	<ul style="list-style-type: none"> <li>▪ Vane pumps</li> <li>▪ Piston pumps</li> <li>▪ Gear pumps</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pressure control</li> <li>▪ Direction control</li> <li>▪ Flow control</li> <li>▪ Modular valves</li> <li>▪ Logic valves</li> <li>▪ Proportional valves</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hydraulic power packs</li> <li>▪ Cylinders</li> <li>▪ Castings</li> <li>▪ Fitters</li> <li>▪ Accumulators</li> </ul>
Performance	24% revenue share	37% revenue share	39% revenue share
Application segments	Automotive, Agriculture, Cement, Construction equipment, Drill Rigs, Defence, Machine tools, Material handling, Marine, Paper, Presses, Plastics, Railways, Rubber and Steel.		

YUKEN INDIA LIMITED

# Management discussion and analysis



## Global economy

### Overview

The global economic growth declined from 3.5% in 2022 to an estimated 3.1% in 2023. A disproportionate share of global growth in FY 2023-24 is expected to come from Asia, despite the weaker-than-expected recovery in China, sustained weakness in USA, higher energy costs in Europe, weak global consumer sentiment.

Growth in advanced economies is expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening takes effect. Emerging market and developing economies are projected to report a modest growth decline from 4.1 percent in FY2022 to 4.0 percent in 2023 and 2024.

Global inflation is expected to decline steadily from 8.7 percent in FY 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to a tighter monetary policy aided by relatively lower international commodity prices. Core inflation decline is expected to be more gradual; inflation is not expected to return to target until 2025 in most cases.

Global trade in goods was expected to have declined by nearly USD 2 trillion in

2023; trade in services was expected to have expanded by USD 500 billion.

The global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other Central banks.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

### Outlook

Asia is expected to continue to account for the bulk of global growth in FY 2024-25. Inflation is expected to ease gradually as

cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has demonstrated resilience amid high inflation and

monetary tightening, growth around previous levels for the next two years

(Source: World Bank).

## Indian economy

### Overview

The Indian economy was estimated to grow 7.8 per cent in the FY 2023-24 fiscal against 7.2 per cent in FY 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector. India retained its position as the fifth largest economy. The Indian rupee displayed relative resilience compared to the previous year; the rupee opened at RS. 82.66 against the US dollar on the first trading day of 2023 and on 27 December was RS. 83.35 versus the greenback, a depreciation of 0.8%.

The FY 24 growth in the economy was the highest since FY 17, excluding the 9.7% post-Covid rebound in gross domestic product (GDP) in FY 22 from the 5.8% contraction in FY 21.

As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output was estimated to grow 6.5 per cent in FY 2023-24 compared to 1.3 per cent in FY 2022-23. The Indian mining sector growth was estimated at 8.1 per cent in FY 2023-24 compared to 4.1 per cent in FY 2022-23.

Real GDP or GDP at constant prices in 2023-24 was estimated at Rs 171.79 lakh crore as against the provisional GDP estimate of 2022-23 of Rs 160.06 lakh crore (released on 31<sup>st</sup> May 2023). Growth in real GDP during 2023-24 was estimated at 7.3 per cent compared to 7.2 per cent in 2022-23. Nominal GDP or GDP at current prices in FY 2023-24 was estimated at Rs 296.58 lakh crore against the provisional FY 2022-23 GDP estimate of Rs 272.41 lakh crore.

India's exports of goods and services were expected to touch USD 900 billion in FY 2023-24 compared to USD 770 billion in the previous year despite global headwinds. India's net direct tax collection increased 19 per cent to Rs. 14.71 lakh crore by January 2024. The gross collection was 24.58 per cent higher than the gross

The nation's foreign exchange reserves achieved a historic milestone, reaching USD 645.6 billion. The credit quality of Indian companies remained strong between October 2023 and March

2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2FY24.

### Growth of the Indian economy

	FY21	FY22	FY23	FY24
Real GDP growth (%)	-6.6%	8.7	7.2	7.8

E: Estimated

### Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
Real GDP growth (%)	8.2	8.1	8.4	8.2

(Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)

collection for the corresponding period of the previous year. Gross GST collection of Rs 20.2 lakh crore represented an 11.7% increase; average monthly collection was Rs 1,68,000 crore, surpassing the previous year's average of Rs 1,50,000 crore.

The agriculture sector was expected to see a growth of 1.8 per cent in FY 2023-24, lower than the 4 per cent expansion recorded in FY 2022-23. The Indian automobile segment was expected to close FY 2023-24 with a growth of 6-9 per cent, despite global supply chain disruptions and rising ownership costs.

The construction sector was expected to grow 10.7 per cent year-on-year from 10 per cent in FY 2023-23. Public administration, defence and other services were estimated to grow by 7.7 per cent in FY 2023-24 compared to 7.2 per cent in FY 2022-23.

India reached a pivotal phase in its S-curve, characterized by acceleration in urbanization, industrialization, household incomes and energy consumption. India emerged as the fifth largest economy with a GDP of USD 3.6 trillion and nominal per capita income of Rs. 123,945 in FY 2023-24.

India's Nifty 50 index grew 30 percent in FY 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalization of USD 4 trillion.

Outlook: India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass USD 4 trillion in FY 2024-25.

Union Budget FY 2024-25: The Interim Union Budget FY 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In FY 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the highest allocation at Rs. 6,21,541 crore, accounting for 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%) and Consumer Affairs, food and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, Times of India)

## Global hydraulic components industry overview

The hydraulic components market size is projected to grow from USD 48.23 billion in FY 2023 to USD 72.89 billion by FY 2032, exhibiting a compound annual growth rate (CAGR) of 5.30% during the forecasted period FY 2024 to FY 2032.

On a regional basis, the North American hydraulic components market area will dominate this market, owing to the increasing adoption of automated and mechanized agriculture practices across the region. Europe's hydraulic components market accounts for the second-largest market share because of the growing demand for machinery and equipment for applications in growing manufacturing, agriculture, mining, and oil and gas sectors in the region. The Asia-Pacific hydraulic components market is expected to grow at a CAGR of 3.3%, the fastest from FY 2023 to FY 2032.

The market is driven by the growing need in industries including manufacturing, construction, aerospace, and agriculture for high-performance and precise equipment. This rise accompanied by demand for ecologically friendly hydraulic fluids, the requirement for energy-efficient solutions, and the worldwide trend toward automation are the main factors driving the hydraulic components market.

Furthermore, the growth in the hydraulic components market is driven by the rise in the global construction industry, with the sector poised to reach a value of USD 15.5 trillion by FY 2030. The majority of this growth is expected to stem from countries such as China, India, and the US. This, coupled with technological advancements within the core construction and infrastructure sectors, is anticipated to elevate the demand for hydraulic systems.

(Source: Marketresearchfuture, Researchandmarkets, Precedenceresearch, Marketsandmarkets)

## Outlook

The global market for hydraulic components is projected to reach size of USD 72.89 billion by FY 2032. The market is expected to be propelled by factors such as expansion in construction and manufacturing, automation adoption, and eco-friendly innovations. However, the segment faces a number of challenges, including competition from electric actuators and environmental concerns. Despite these obstacles, the market outlook remains positive, offering opportunities for innovation and industrial application growth.

(Source: Marketresearchfuture, Researchandmarkets)

## Indian hydraulic components industry overview

The Indian hydraulic components market is estimated to grow at a CAGR of 6.2% during FY 2020 to FY 2026. Hydraulic machinery has diverse applications across industries such as construction, aerospace, defense, steel plants, mining, agriculture and more. The growth of these sectors directly impacts the hydraulic components industry.

The hydraulics components industry is poised for recovery as demand revives in the sectors it serves, following a period of restrictions. These industries include key sectors such as road construction, rural development and mining, where the government has allocated significant funding for infrastructure development. (Source: Orion Market Research)

### Growth drivers

**Infrastructure:** India aims to emerge as the world's third-largest economy, reaching a GDP of USD 5 trillion in the next three years and USD 7 trillion by the year 2030, supported by ongoing reforms.

The infrastructure outlay for FY2024-25 is Rs. 11.11 billion (USD 13.4 million), recognizing the sector's crucial role in achieving this goal. Various initiatives like the National Infrastructure Pipeline and the National Monetization Pipeline (NMP) have driven increased investments. Growing government support, particularly for highway projects, aims to enhance economic activities through improved connectivity.

### India as a manufacturing hub:

Contributing 17% to the nation's GDP and employing over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy.

**Growing urbanization:** Following rapid urbanization, there is an increasing demand for sustainable and modern infrastructure in cities. This includes the development of smart cities, urban transport networks like metro rail services, and green infrastructure. The estimated urban population amounts to 590 million people by 2030, the number growing by an estimated 2.3 per cent each year.

**Foreign direct investments:** Foreign Direct Investment (FDI) inflows in India's infrastructure sector have been robust. These investments enhance technological expertise, managerial know-how, and can lead to spillover effects benefiting various industry segments. The country maintained its consistency with FDI inflow, as USD 70.9 billion of the amount was registered in FY 2023-24. The construction sector, among others, witnessed a significant growth.

**Industrial expansion:** Overall industrial output grew 5.8% in FY 2023-24, a tad higher than the 5.2% rise in the previous year, with manufacturing output growing 5.5% compared with 4.7% in FY 2022-23 and mining output accelerating by 7.5% last year from a 5.8% rise in the preceding year, rising electricity demand.

(Source: India briefing, Times of India, Urbanet, pib, The Hindu, Economic Times)



## Government initiatives

- The capital investment outlay for infrastructure is being increased by 33% to Rs. 10 lakh crores (USD 122 billion) in FY 2023-24, which would be 3.3 per cent of GDP and almost three times the outlay in FY 2019-20.
- In recent years, there has been a substantial increase in the pace of construction of national highways, from an average of 12 kilometres per day in FY 2014-15 to around 34 kilometres per day in FY 2023-24.
- As per the Union Budget FY 2023-24, a capital outlay of Rs. 2.40 lakh crores (USD 29 billion) has been provided for the railways, which is the highest ever outlay and about 9 times the outlay made in FY 2013-14.
- The Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure and power.
- The Government has decided to continue the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs. 1.3 lakh crore (USD 16 billion) under the Union Budget FY 2023-24.
- The government identified 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer and food grains sectors, as

these projects will be taken up on priority with an investment of Rs. 75,000 crores (USD 9 billion), including Rs. 15,000 crores (USD 1.8 billion) from private sources under the Union Budget for FY 2023-24.

- 50 additional airports, heliports, water aerodromes and advanced landing grounds will be revived to improve regional air connectivity.
- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by National Housing Bank and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.

(Sources: IBEF, The Times of India)

## Opportunities

- Yuken India is poised to capitalize on the expanding opportunities in the hydraulics industry by leveraging its strengths:
  - A well-known and reputable brand.
  - Wide range of products meeting various client demands.
  - Excellent service standards and fast delivery dates.
  - Competitively priced products that meet international standards.
  - Constant investments in research to improve the capacity for product development.
  - A substantial market share and enduring customer connections.

## Threats

- Rising input expenses.
- Changing preferences and tastes of consumers.
- Growing costs related to technology updates.
- A persistent need for new product development and innovation.
- A volatile market for foreign exchange.
- Increasing competition on the international scene.
- Growing competition within the domestic market.
- Environmental risks.

## Financial review (Consolidated)

Gross revenues increased by 14% to Rs.427.62 crore during FY2023-24 as compared to Rs.375.04 crore during FY2022-23.

Operating profit EBITDA stood at Rs.49.88 crore in FY2023-24 compared to Rs.36.01 crore during FY2022-23.

Finance costs decreased by 14% from Rs.9.79 crore in FY 2022-23 to Rs.8.45 crore during FY 2023-24.

Total expenses stood at Rs.409.02 crore including tax expenses worth Rs.6.97 crore

and deferred tax charge/ (benefit) and MAT credit entitlement worth Rs. 1.20 crore

Profit after tax, including other comprehensive income (OCI), stood at Rs.18.30 crore as against Rs.9.47 crore during the previous year.

Net worth stood at Rs.279.50 crore as on 31<sup>st</sup> March, 2024 compared to Rs.199.31 crore as on 31<sup>st</sup> March, 2023.

Property, plant and equipment and intangible assets increased by 10% to Rs.188.32 crore during FY 2023-24 from Rs.170.62 crore during FY 2022-23.

Capital work-in-progress for the year increased to Rs.19.75 crore during FY 2023-24 compared with Rs.11.64 crore during FY 2022-23.

Cash and cash equivalents stood at Rs.10.18 crore as on 31<sup>st</sup> March, 2024 compared to Rs.2.48 crore as on 31<sup>st</sup> March, 2023.

## Key financial ratios

Particulars	2024	2023
EBITDA/turnover (%)	11.66	9.57
Net profit/turnover (%)	4.28	2.50
Debt-equity ratio	0.28	0.59
Current ratio	1.32	1.03
Interest coverage ratio	4.11	2.37
Inventory / Cost of goods sold turnover (times)	2.39	2.34
Debtors (number of days)	102	115
Return on net worth (%)	10.67	9.88
Book value per share (Rs.)	219.11	166.09
Earnings per share (Rs.)	14.75	7.97

## Human resources

The Company views its people as its most significant competitive edge. Our employees, with their extensive multi-sectoral experience, technological skills,

and domain expertise, are essential to our success. Our HR culture thrives on challenging traditional norms to boost our competitiveness. By prioritizing decisions that align with employees' professional and personal goals, the Company fosters

an ideal work-life balance and instills a strong sense of pride in being part of the organization. As of March 31, 2024, the company had 389 employees.

## Risk management

**Competitive risk:** Rising competition can potentially reduce revenues and profit margins.

**Mitigation:** The company offers a range of products to meet the diverse needs of its customers. By enhancing the customer experience with after-sales service and transforming its products into comprehensive solutions, the company minimizes competition. This approach has fostered long-standing client relationships, resulting in a larger market share.

**Sectoral risk:** The company's growth could be hindered if it shifts its focus underperforming sectors.

**Mitigation:** The company operates in various sectors, including automobile, power, steel, and plastic, ensuring consistent profits and mitigating the impact of short-term underperformance in any single sector. It now aims to diversify by exploring sectors such as renewable energy, defence, and marine engineering.

**Economy risk:** The industry's growth is linked to the overall economy, making it vulnerable to the country's economic conditions and trends.

**Mitigation:** The company's diverse portfolio of products, sectors, and geographic regions enables it to mitigate the adverse effects of an economic slowdown.

**Service risk:** Inadequate service provision by the company can result in equipment downtime, affecting the brand's reputation.

**Mitigation:** The company ensures high product availability nationwide through a network of 52 dealers. It bolstered its service division to minimize equipment downtime.

**Technology risk:** The introduction of new and advanced technologies in the market may reduce the demand for Yuken's current products, potentially affecting the company's operations.

**Mitigation:** The company's products, including pumps and valves, have seen increasing demand from customers over the years.

## Internal control systems and their adequacy

Yuken India has established its organizational culture on a foundation of transparency and accountability, adhering to fair and comprehensive corporate governance practices, guided by its Code of Conduct and various policies that comply with the SEBI (Listing Obligations

and Disclosure Requirements) Regulations of 2015.

To address workplace issues, Yuken India has implemented a Prevention of Sexual Harassment Policy, modelled after the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013. The company's proactive Audit Committee routinely

oversees and controls internal processes, ensuring robust governance. Furthermore, the Committee of the Board and the Constitution of the company ensure that accounting policies and internal procedures comply with the requirements of Section 177 of the Companies Act of 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015.

# Board's Report

To  
The Members of  
**Yuken India Limited**

Your Directors have pleasure in presenting their 48<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2024.

## 1. FINANCIAL RESULTS:

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

### Financial Highlights:

₹ In Lakhs

Particulars	Consolidated		Standalone	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
<b>Net Income</b>	<b>42,762.71</b>	<b>37,503.56</b>	<b>37,097.78</b>	<b>31,995.67</b>
Expenditure before interest, depreciation and tax	37,774.92	33,902.35	33,439.04	29,445.45
Profit/(Loss) before interest, depreciation and tax	4,987.79	3,601.21	3,658.74	2,550.22
Finance cost	845.43	979.39	619.07	764.06
Depreciation	1,464.34	1,258.29	944.00	775.48
<b>Profit/(Loss) Before Tax</b>	<b>2,678.02</b>	<b>1,363.53</b>	<b>2,095.67</b>	<b>1,010.68</b>
Share of Profit/(Loss) of Associates	18.08	10.56		
Exceptional item	-	238.57	-	238.57
<b>Profit before tax after exceptional item</b>	<b>2,696.10</b>	<b>1,612.66</b>	<b>2,095.67</b>	<b>1,249.25</b>
Provision for Taxation (Net of deferred tax)	817.55	647.56	636.38	499.09
<b>Profit/(Loss) After Tax</b>	<b>1,878.55</b>	<b>965.10</b>	<b>1,459.29</b>	<b>750.16</b>
Net Comprehensive Income for the year	(48.37)	(18.35)	(34.21)	(18.47)
<b>Total Comprehensive Income for the year</b>	<b>1,830.18</b>	<b>946.75</b>	<b>1,425.08</b>	<b>731.69</b>
<b>Total comprehensive income attributable to Controlling interest</b>	<b>1,833.24</b>	<b>938.56</b>		
Balance in Statement of profit and loss	18,092.85	17,250.29	18,277.58	17,641.89
<b>Amount available for appropriation</b>	<b>19,926.09</b>	<b>18,188.85</b>	<b>19,702.66</b>	<b>18,373.58</b>
<b>Appropriations:</b>				
Equity Dividend paid	(104)	(96)	(104)	(96)
<b>Balance carried to Balance Sheet</b>	<b>19,822.09</b>	<b>18,092.85</b>	<b>19,598.66</b>	<b>18,277.58</b>

**On Consolidated basis**, the Company has registered net income of ₹42,762.71 lakhs as compared to ₹37,503.56 lakhs of previous year. The growth is around 14.02 % as compared to the previous year.

**On Standalone basis**, the Company has registered a net income of ₹37,097.78 lakhs as compared to ₹31,995.67 lakhs of previous year. The growth is around 15.94 % as compared to the previous year.

## 2. DIVIDEND:

Your Directors recommend payment of a dividend of 15% (Fifteen percent) i.e. ₹1.50 (One rupee fifty paise only) per equity share of ₹10/- each for the year ended 31<sup>st</sup> March, 2024, subject to the approval of the members at the ensuing Annual General Meeting. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

The Dividend Distribution Policy is available at Company's website:

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

## 3. ANNUAL RETURN:

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

## 4. BOARD MEETINGS HELD DURING THE YEAR:

During the year, 7 (Seven) meetings of the Board of Directors and one meeting of Independent Directors were held. The details of the meetings and the details of attendance of Directors in the meetings are furnished in the Corporate Governance Report.

## 5. 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, Independent Directors have registered themselves with the Indian Institute of Corporate Affairs.

## 6. 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.

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

The Board of Directors have 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.

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

There have 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 routine in nature which have no significant/material impact.

## 9. 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:

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

## CORPORATE GUARANTEE:

During the year under review, the Company has granted the Corporate Guarantees to its Subsidiary Companies and existing Guarantees are renewed. The details of Guarantees granted and outstanding balances of Corporate Guarantees as on 31<sup>st</sup> March, 2024 are as under.

₹ in Lakhs

Sl. No.	Particulars	Name of Bank	Current Year	Outstanding Balance as on 31.03.2024
1	Coretec Engineering India Private Limited	HDFC Bank	NIL	750
		Sumitomo Mitsui Banking Corporation	NIL	1,100
2	Grotek Enterprises Private Limited	HDFC Bank	NIL	600
		Sumitomo Mitsui Banking Corporation	NIL	2,000
3	Kolben Hydraulics Limited	Sumitomo Mitsui Banking Corporation	200	200

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

## 10. AMOUNT, IF ANY, PROPOSED TO BE TRANSFERRED TO RESERVES:

During the year under review, the Company has not transferred any money towards General Reserve and it is not mandatorily required.

## 11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

### a. Transfer of Unpaid Dividend:

As required under Section 124 of the Companies Act 2013 read with the investor Education and protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereof ("the Rules"), the unclaimed dividend amount aggregating to ₹80,781/- lying with the Company for a period of 7 (Seven) years pertaining to the financial year ended on 31<sup>st</sup> March, 2016 was transferred during the financial year 2023-24 to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

### b. Transfer of Shares:

As required under Section 124 of the Companies Act 2013 read with the investor Education and protection Fund Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereof ("the Rules"), 2,111 equity shares of ₹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 2023-24. Details of shares transferred have been uploaded on the website of IEPF as well as Company.

## 12. 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 <http://www.yukenindia.com/report-result/>

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

₹ In Lakhs

Particulars	Subsidiaries			Associates		
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	Kolben Hydraulics Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.	AEPL Grotek Renewable Energy Private Limited
<b>Total Income</b>						
FY 2023-24	8,747.24	4,770.42	1,053.68	2,725.17	24.30	7.12
FY 2022-23	7,489.49	3,668.57	962.58	2,594.84	18.90	-

₹ In Lakhs

Particulars	Subsidiaries			Associates		
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	Kolben Hydraulics Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.	AEPL Grotek Renewable Energy Private Limited
<b>Total expenditure excluding depreciation and finance cost</b>						
FY 2023-24	7578.88	4,430.40	1,101.37	2,370.96	18.50	34.71
FY 2022-23	6,679.60	3,433.32	878.29	2,215.20	11.49	31.27
<b>Profit/(Loss) before interest, depreciation and tax</b>						
FY 2023-24	1,168.36	340.02	(47.70)	354.21	5.79	(27.59)
FY 2022-23	809.89	235.25	84.29	379.62	7.40	(31.27)
<b>Finance cost</b>						
FY 2023-24	196.72	79.59	0.25	119.36	1.01	-
FY 2022-23	138.32	101.01	-	124.26	0.34	-
<b>Depreciation</b>						
FY 2023-24	356.60	147.96	15.77	138.27	2.05	-
FY 2022-23	336.61	131.36	14.84	165.53	1.82	-
<b>Profit/(Loss) before tax and exceptional item</b>						
FY 2023-24	615.04	112.47	(63.72)	96.58	3.63	(27.59)
FY 2022-23	334.96	2.88	69.45	89.83	5.25	(31.27)
<b>Exceptional Item</b>						
FY 2023-24	-	-	-	-	-	-
FY 2022-23	-	-	-	-	-	-
<b>Provision for taxation (Net of deferred tax)</b>						
FY 2023-24	158.39	21.23	1.55	22.91	0.10	-
FY 2022-23	112.94	24.22	11.30	43.23	0.10	-
<b>Other comprehensive income for the year</b>						
FY 2023-24	(10.90)	(3.26)	-	-	-	-
FY 2022-23	(0.43)	0.55	-	(3.67)	-	-
<b>Profit/(Loss) after tax(Including other comprehensive income)</b>						
FY 2023-24	445.75	87.98	(65.27)	73.67	3.62	(27.59)
FY 2022-23	221.60	(20.79)	58.15	42.94	5.15	(31.27)
<b>Earnings per share (in ₹)</b>						
FY 2023-24	9.11	2.52	(2.18)	8.19	2.87	(0.26)
FY 2022-23	4.43	(0.59)	2.84	5.18	4.08	(0.29)

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.



### 13. 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. 45 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.

### 14. 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:

There is no 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.

### 15. 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:

#### Conservation of Energy:

##### Steps taken or impact on conservation of energy:

- Replaced conventional light fixtures with energy efficient LED light fixtures in the plant.
- In order to conserve water, the waterless Urinals have been installed in all restrooms of the main plant.

- Power factor was maintained at 0.99 by identifying and replacing faulty capacitors, increasing the frequency of periodical/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.
- The factory has installed 22 waterless urinals resulting in saving up to 22 lakh liters of water per year.
- Grey water from the Canteen, Toilets across the factory is treated through the STP and this treated water is used for gardening purposes across the factory.
- Initiation of rainwater harvesting projects - Roof water is collected in a 50 Lakh liters tank and used for gardening.
- Solar street lights installed at 10 poles aids in power saving, around 25 to 40 watts for each light.
- Roof top solar panels and heaters are set-up at canteen and washing areas in the plant.
- Photo sensors and movement sensors are installed at multiple locations in the factory thereby reducing power consumption.

#### 1. Foreign Exchange Earnings and Outgo:

##### a. Foreign Exchange Earnings:

₹ in lakhs

Sl. No	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
1	Export Sales	300.72	338.84
2	Other Income	19.81	11.11

##### b. Expenditure in Foreign Currency:

₹ in lakh

Sl. No	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
1	Brand fee	124.84	117.53
2	Others	74.73	40.23

**c. Remittance in Foreign Currency on Account of:**

₹ in lakh

Sl. No	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
1	Dividend	41.76	38.40

**2. 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. In keeping with the Company's focus on energy saving, sustainable technology and in line with the Company's strength in manufacture of vane pumps, a new line of variable volume of vane pumps, PVV Series is being introduced. Currently most of these pumps are used in the country are imported. Yuken India Limited made a small beginning many years ago with RV Series of Pumps. However, PVV Series is an upgrade both in performance and the capacities of the pumps. We hope PVV Series becomes the variable volume Vane pumps of choice in the industry.
- v. The Company has developed innovative Hydraulic Clamping mechanism that can be used on any CNC vertical machining center for tool clamping. Currently, the industry uses pneumatically operated clamping devices which are known to be very inefficient.

**(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 wastage 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.

**3. 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.
- Establishing as manufacturing hub to supply globally.

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

Technology absorption is under progress.

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

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

## 17. 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 31<sup>st</sup> March, 2024.

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

Not Applicable.

## 19. 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.

## 20. 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	Mr. R Srinivasan	Independent Director
2	Dr. Premchander	Independent Director
3	Mrs. Indra Prem Menon	Independent Director
4	Mr. Parabrahman Tadimalla	Independent Director

Sl. No.	Name of the Director	Designation
5	Mr. K Chandrashekhar Sharma	Independent Director
6	Mr. Hidemi Yasuki	Non-Executive Director
7	Mr. Hideharu Nagahisa	Non-Executive Director
8	Mr. Yoshitake Tanaka	Whole Time Director
9	Mrs. Vidya Rangachar	Non-Executive Director
10	Mr. C P Rangachar	Managing Director

The details of directors or key managerial personnel who were appointed or have resigned/retired during the year are as under:

- Mr. Parabrahman Tadimalla (DIN: 01392252) was appointed as an Additional Director on 14<sup>th</sup> September, 2023 and re-designated as Independent Director on 11<sup>th</sup> December, 2023.
- Mr. K Chandrashekhar Sharma (DIN: 09505130) was appointed as an Additional Director on 14<sup>th</sup> September, 2023 and re-designated as Independent Director on 11<sup>th</sup> December, 2023.

## 21. KEY MANAGERIAL PERSONNEL (“KMP”):

Pursuant to provisions of Section 203 of the Companies Act, 2013, following persons are Key Managerial Personnel as on 31<sup>st</sup> March, 2024:

Sl. No.	Name of the Director	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. Yoshitake Tanaka	Whole Time Director
6	Mr. Vignesh P*	Company Secretary & Compliance officer
7	Ms. Suchithra R**	Company Secretary & Compliance officer

\*Mr. Vignesh P had resigned from the position of Company secretary & Compliance officer and was relieved from services by closing hours of 13<sup>th</sup> January, 2024.

\*\*Mr. Suchithra R was appointed as Company Secretary & Compliance officer with effect from 06<sup>th</sup> December 2023.

## 22. 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.

### 23. RISK MANAGEMENT POLICY:

As per the Market Capitalization as on 31<sup>st</sup> March, 2024, Risk Management Committee provisions are not applicable to Company as Company does not fall under the Top 1000 companies based on Market Capitalization.

However, 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 along with Risk Management Policy. Composition of the Committee and other details are provided in Corporate Governance Report.

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.
- e. Action being taken to take care of welfare of the employees and other stakeholders.

### 24. 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 ₹17.06 lakhs for identified CSR activities during the financial year

ending 31<sup>st</sup> March, 2024. A detailed Report on CSR is enclosed as 'Annexure-3' forming part of this report.

### 25. 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.

### 26. SECRETARIAL STANDARDS:

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

### 27. COMMITTEES OF THE BOARD:

As on 31<sup>st</sup> March, 2024, the Board had 5 (Five) committees:

- a) The Audit Committee
- b) The Corporate Social Responsibility Committee
- c) The Nomination and Remuneration Committee
- d) Stakeholder's Relationship Committee and
- e) Risk Management 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.

## 28. 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/>

## 29. 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.

## 30. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

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

## 31. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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

## 32. 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:

- Ratio of remuneration of each Director/KMP to the median employee's remuneration and the percentage increase/decrease in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24:

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2023-24 (In ₹)	Remuneration for the financial year 2022-23 (In ₹)	% increase / (decrease) in remuneration in the financial year 2023-24	Ratio of remuneration of each Director / KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	1,17,32,187	99,53,202	17.87	19.27:1
Capt. N S Mohanram, Non-Executive, Independent Director	-	1,20,000	-	-
Mr. R Srinivasan, Non-Executive, Independent Director	6,04,378	4,92,349	22.73	0.99:1
Dr. Premchander, Non-Executive, Independent Director	5,84,378	4,92,349	18.67	0.96:1
Mrs. Indra Prem Menon, Non-Executive, Lady Independent Director,	5,04,378	4,32,349	16.63	0.82:1

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2023-24 (In ₹)	Remuneration for the financial year 2022-23 (In ₹)	% increase / (decrease) in remuneration in the financial year 2023-24	Ratio of remuneration of each Director / KMP to that of Median remuneration of employees
Mr. Parabrahman Tadimalla, Non-Executive, Independent Director	3,24,378	-	-	0.53:1
Mr. K Chandrashekhar Sharma, Non-Executive, Independent Director	3,24,378	-	-	0.53:1
Mrs. Vidya Rangachar, Non-Executive Director	4,24,378	3,12,349	35.83	0.69:1
Mr. Hideharu Nagahisa, Non-Executive Director	4,04,378	3,12,349	29.43	0.66:1
Mr. Hidemi Yasuki, Non-Executive Director	4,24,378	3,12,349	35.83	0.69:1
Mr. Kenichi Takaku, Non-Executive Director	-	40,000	-	-
Mr. K Gopalkrishna, Executive Director	71,29,120	69,80,770	2.12	11.71:1
Mr. H M Narasinga Rao, Chief Financial Officer	63,24,946	62,17,520	1.72	10.39:1
Mr. Yoshitake Tanka, Whole Time Director	50,06,400	36,04,867	38.87	8.22:1
Mr. A Venkatakishnan, Chief Executive Officer,	48,66,117	47,43,879	2.57	7.99:1
Mr. Vignesh P*, Company Secretary	8,45,195	1,27,916	-	1.38:1
Ms. Suchithra R**, Company Secretary	2,75,530	-	-	0.45:1

\*Remuneration from 1<sup>st</sup> April 2023 to 13<sup>th</sup> January 2024

\*\*Remuneration from 06<sup>th</sup> December 2023 to 31<sup>st</sup> March 2024

**Notes:**

1. The Net Profit after tax has increased by ₹737.49 lakhs (excluding other comprehensive income) as compared to the previous year and the remuneration of the Managing Director has increased by 17.87%. The remuneration is within the limit specified in Schedule V.
  2. Remuneration paid /payable to Managing Director and Non-Executive Directors for the financial year 2023-24 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.
  4. The Members of Nomination and remuneration Committee and Board of Directors in its meeting held on 07<sup>th</sup> June, 2021 have been approved to pay the one-time reward to Mr. K Gopalkrishna – Executive Director is ₹22 lakhs and Mr. H M Narasinga Rao - CFO & VP Finance is ₹20 lakhs. This reward is not included in their remuneration as mentioned above.
- b. The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2024 was 389 (previous year: 384).



- c. Percentage of change in median remuneration of employees for the financial year is 2%.
- 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 Increase of salaries of employees other than the key managerial personnel in the financial year: 7% as compared to previous year.
  - Percentage Increase in the key managerial remuneration in the financial year: 13% as compared to previous year.
- e. The key parameters for any variable component of remuneration availed by the Directors.

Commission payable to Directors has been 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 (Non-executive) are eligible for the commission on the net profit of the Company for the financial year 2023-24.

- 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 ₹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 ₹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

### 33. SHARE CAPITAL:

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

Sl. No.	Name of the Director	Designation
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 ₹15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹10/- each and paid up equity share capital of the Company is ₹13,00,00,000 consisting of 1,30,00,000 equity shares of ₹10/- each as on 31<sup>st</sup> March, 2024.

During the year under review, the Company has issued 10,00,000 equity shares of face value ₹10 each at a premium of ₹619.00 each aggregating up to ₹6,290 lakhs to the Promoter i.e. Yuken Kogyo Company Limited on preferential allotment basis.

### 34. 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 2024-25. Your Directors proposed to ratify the remuneration payable to them for the financial year 2024-25 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.

### 35. 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 until the conclusion of the 51<sup>st</sup> (Fifty first) Annual General Meeting to be held in the year 2027.

There are no qualifications in their report for the financial year ended 31<sup>st</sup> March, 2024. 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.

### 36. 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 2023-24. The Secretarial Auditors Report for FY 2023-24 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 2024-25 also.

### 37. 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.

### 38. BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34 (2) (f) of SEBI (LODR) Regulations as amended with effect from 5<sup>th</sup> May 2021, the requirement of furnishing business Responsibility Report shall apply to top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year). As we do not fall under the category of top one thousand listed entities as on 31<sup>st</sup> March 2024, we are not required to prepare Business Responsibility and Sustainability Report. Hence the report is not prepared for the Financial year 2023-24.

### 39. 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.

### 40. 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.

### 41. 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.

### 42. 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**

Place: Bengaluru  
 Date: 22<sup>nd</sup> May 2024

**Parabrahman Tadimalla**  
 Director  
 DIN: 01392252

**Dr. Premchander**  
 Director  
 DIN: 02278652

**C P Rangachar**  
 Managing Director  
 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

₹ In lakhs

Sl. No.	Particulars	Details		
1	Name of the Subsidiary	Grotek Enterprises Private Limited	Coretec Engineering India Private Limited	Kolben Hydraulics Limited
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
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
4	Share Capital	501.00	361.96	300.06
5	Reserves & Surplus	655.74	(184.15)	(168.04)
6	Total Assets	6,236.01	4,587.40	822.76
7	Total Liabilities (Excluding Share Capital & Reserves)	5079.27	4,409.60	668.11
8	Investments	280.00	-	-
9	Turnover & other income	8,747.24	4,770.32	1,053.68
10	Profit /(Loss) before taxation	615.04	112.47	(63.72)
11	Provision for Taxation	158.39	21.23	1.55
12	Other comprehensive income for year	(10.90)	(4.52)	-
13	Profit /(Loss) after taxation including other comprehensive income	445.75	87.98	(65.27)
14	Proposed Dividend	-	-	-
15	Percentage of shareholding	100%	100%	95.30%

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

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

## 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)

Sl No.	Name of Associates/Joint Ventures	Sai India Limited	Bourton Consulting (India) Private Limited	AEPL Grotek Renewable Energy Private Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2024
2	Shares of Associate/Joint Ventures held by the Company on the year ended 31 <sup>st</sup> March, 2024	3,60,000	37,300	28,00,000
3	Amount of Investment in Associates	20.00	3.73	28.00
4	Extent of Holding in Percentage	40%	29.54%	26%
5	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.	1. Grotek Enterprises Private Limited (Subsidiary of Yuken India Limited) holding 26% stake in the Company.
6	Reason why the associates is not consolidated	Not Applicable	Not Applicable	Not Applicable
7	Net worth attributable to shareholding as per latest audited Balance Sheet	541.50	4.59	263.13
8	Profit/ (Loss) for the year including comprehensive income	47.26	3.62	(27.59)
9	Considered in Consolidation	18.90	1.07	(7.17)
10	Not Considered in Consolidation	28.36	2.55	(20.42)

- Names of associates or joint ventures which are yet to commence operations –AEPL Grotek Renewable Energy Private Limited.
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable.

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

Place: Bengaluru  
 Date: 22<sup>nd</sup> May 2024

**Parabrahman Tadimalla**  
 Director  
 DIN: 01392252

**Dr. Premchander**  
 Director  
 DIN: 02278652

**C P Rangachar**  
 Managing Director  
 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. 45 of the Notes forming part of the standalone financial statements in the Annual Report.

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

Place: Bengaluru  
Date: 22<sup>nd</sup> May 2024

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**Dr. Premchander**  
Director  
DIN: 02278652

**C P Rangachar**  
Managing Director  
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 2023-24 are within the broad framework of Schedule VII of the Companies Act, 2013.

### 2. Composition of 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 <http://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: ₹1.16 lakhs
6. Average net profit of the Company as per section 135(5): ₹1,068.15 lakhs.
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹21.36 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: ₹1.16 lakhs.  
(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹20.20 lakhs.



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

Total Amount Spent for the Financial Year. (Amount in ₹)	Amount Unspent (in ₹)				
	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 ₹)	Date of transfer	Name of the Fund	(Amount in ₹)	Date of transfer
17,06,530	6,40,000	24.04.2024	Prime Minister's National Relief Fund	42,802.23	24.04.2024
				2,72,000	On or before 30.09.2024

**(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 ₹)	Mode of implementation- Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
1	Contribution towards the development of temple	Protection of national heritage, art and culture	Yes	Karnataka	Kolar	1,04,784	Yes	Venugopalswamy Temple	Not applicable
2	Contribution for School fees of poor student.	Promotion of Education.	No	Andhra Pradesh	Chittoor	98,500	Yes	G.S.R Magness School, Payment of School Fees of Poor Student.	Not applicable
3	Contribution for School fees of poor student.	Promotion of Education.	No	Tamilnadu	Dindigul	98,600	Yes	St. Peter Matriculation Higher Secondary School.	Not Applicable
4	Contribution towards old age homes, day care centers and such other facilities for senior citizens.	Setting up old age homes, day care centers and such other facilities for senior citizens.	Yes. Malur	Karnataka	Kolar	1,00,000	No	Vishranthi Turst	CSR00006482
5	Contribution for Promoting health care	Professional skill development training	Yes. Malur	Karnataka	Kolar	50,000	Yes	Vision Aid	Not Applicable
6	Construction for School fees of poor student.	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	67,650	Yes	Indian Public School	Not Applicable
7	Construction for poor students	Promotion of Education.	Yes. Malur	Karnataka	Kolar	23,840	Yes	Hedigenabele Govt School	Not Applicable

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 ₹)	Mode of implementation- Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
8	Construction for poor students	Promotion of Education.	No	Tamil Nadu	Krishnagiri	1,00,000	Yes	Central Chinmaya Mission Trust	Not applicable
9	Contribution for College fees of poor student.	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	18,700	Yes	East West Polytechnique College	Not applicable
10	Contribution for promotion and development of traditional art	Protection of culture	Yes. Bangalore	Karnataka	Kolar	30,000	No	Sree Ramaseva Mandali	CSR00012345
11	Contribution for development of school infrastructure	Promoting education	No	Tamilnadu	Krishnagiri	26,500	Yes	Panchayat Union Primary School Chokkaranasapalli	Not Applicable
12	Contribution for Drinking water fillers facility	Rural development projects	Yes. Malur	Karnataka	Kolar	1,88,000	Yes	Lakkur Gram Panchayat	Not Applicable
13	Construction of annadana hall	Eradicating hunger for children	Yes. Bangalor	Karnataka	Bangalore	5,00,000	No	ISKCON	CSR00005587
14	Contribution for 20 Meter HighMast street Light facility	Rural development projects	Yes. Malur	Karnataka	Kolar	2,99,956	Yes	Chikkathirupati Gram Panchayat	Not Applicable
					<b>Total</b>	<b>17,06,530</b>			

(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): ₹17,06,530/-

(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 ₹)	Amount spent in the reporting Financial Year (Amount in ₹)	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. (Amount in ₹)
				Name of the Fund	Amount in ₹	Date of transfer. 24.04.2024	
1	2022-23	-	-	Prime Minister's National Relief Fund	6,40,000	24.04.2024	-
2	2021-22	-	-	-	-	-	-
3	2020-21	6,39,598	-	-	-	-	6,39,598

**Note:** The above Amount remaining to be spent in succeeding financial years will be utilized for the projects which is already identified by the Company.

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

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: 22<sup>nd</sup> May 2024

Parabrahman Tadimalla  
Director  
DIN: 01392252

Dr. Premchander  
Director  
DIN: 02278652

C P Rangachar  
Managing Director  
DIN: 00310893

## ANNEXURE -4

## Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on 31<sup>st</sup> March 2024

[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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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, 2015 ;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (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, 2021 ; (Not Applicable to the Company during Audit Period)and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ; (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
- n) Indian Stamp Act, 1899 and State Stamp Acts
- o) The Child labour [Prohibition and Regulation] Act, 1986
- p) The Hazardous Wastes (Management and Handling) Rules, 1989
- q) The Environment (Protection) Act, 1986

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 (BSE) and National Stock Exchange of India Limited (NSE).

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.

**Joseph & Chacko LLP**

Company Secretaries

**GIGI JOSEPH K J**

FCS No.: 6483

CP No.: 5576

UDIN: F006483F000307401

Place: Bangalore

Date: 04.05.2024

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.

**Joseph & Chacko LLP**  
Company Secretaries

**GIGI JOSEPH K J**  
FCS No.: 6483  
CP No.: 5576  
UDIN: F006483F000307401  
Place: Bangalore  
Date: 04.05.2024



## 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 framework 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 two Executive Directors, viz., Mr. C P Rangachar, Managing Director and Mr. Yoshitake Tanaka, Whole Time Director. All the other Directors are Non-Executive Directors.

Among the Non-Executive Directors, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, and Mrs. Vidya Rangachar are Non-Executive & Non-Independent Directors and Mr. R Srinivasan, Dr. Premchander, Mrs. Indra Prem Menon, Mr. Parabrahman Tadimalla and Mr. Kaleginanaoor Chandrashekhar Sharma are Non-Executive & Independent Directors.

During the year under review, Mr. Parabrahman Tadimalla and Mr. Kaleginanaoor Chandrashekhar Sharma were appointed as an Additional –Directors with effect from 14<sup>th</sup> September, 2023 and re-designated as Non-Executive & Independent Directors with effect from 11<sup>th</sup> December, 2023.

Further, there is no any pecuniary relationship/transaction with any of the Non-Executive Independent Directors of the Company and 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 31<sup>st</sup> March, 2024 are as indicated below:

Sl. No.	Name of the Director	Whether Promoter/ Collaborator/ Executive/ Non-Executive / Independent/Non-Independent	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	Non-Executive & Non-Independent, Director	7	Yes	NA	-	-	-
2	Mr. Hideharu Nagahisa	Non-Executive & Non-Independent Director	6	Yes	1	-	-	-
3	Mr. Yoshitake Tanaka	Executive & Non-Independent Director	7	Yes	NA	-	-	-

Sl. No.	Name of the Director	Whether Promoter/ Collaborator/ Executive/ Non-Executive / Independent/Non-Independent	Attendance		LoA (3)	No. of outside Directorships held (1)	Committees Membership/ Chairmanship in other Companies (2)	
			Board Meetings	Last AGM			Member	Chairman
4	Mr. R Srinivasan	Non-Executive & Independent Director	7	Yes	NA	5	3	1
5	Dr. Premchander	Non-Executive & Independent Director	6	Yes	1	1	-	-
6	Mrs. Indra Prem Menon	Non-Executive & Independent Director	5	Yes	2	13	-	-
7	Mr. Parabrahman Tadimalla	Non-Executive & Independent Director	2	NA	NA	2	2	-
8	Mr. Kaleginanaoor Chandrashekhar Sharma	Non-Executive & Independent Director	2	NA	NA	4	1	-
9	Mrs. Vidya Rangachar	Non-Executive & Non-Independent Director	7	Yes	NA	1	-	-
10	Mr. C P Rangachar	Executive & Non-Independent Director	7	Yes	NA	9	1	1

**Notes:**

- 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.
- 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.
- LOA – Leave of Absence. NA- Not Applicable
- All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.
- Mrs. Vidya Rangachar- Non Executive Director is a wife of Mr. C P Rangachar- Managing Director.

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	Independent Director
a.	TTK Prestige Limited	
2	Mr. C P Rangachar	Independent Director
a.	Natural Capsules Limited	
3.	Mr. K Chandrashekhar Sharma	Independent Director
a.	Birla Precision Technologies Limited	

Further, Dr. Premchander, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, Mrs. Indra Prem Menon, Mr. Yoshitake Tanaka, T Parabrahman 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	Dr. Premchander	-	√	√	√	√
4	Mrs. Vidya Rangachar	-	-	√	-	√
5	Mr. Hideharu Nagahisa	√	√	√	√	√
6	Mr. Hidemi Yasuki	√	√	√	-	√
7	Mr. Yoshitake Tanaka	√	√	√	√	√
8	Mrs. Indra Prem Menon	√	√	√	√	√
9	Mr. Parabrahman Tadimalla	√	√	√	√	√
10	Mr. Kaleginanaoor Chandrashekhar Sharma	√	√	√	√	√

## 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 2023-24, our Board met 7 (Seven) times viz., on 12<sup>th</sup> May, 2023, 29<sup>th</sup> May, 2023, 28<sup>th</sup> June, 2023, 09<sup>th</sup> August, 2023, 14<sup>th</sup> September, 2023, 08<sup>th</sup> November, 2023 and 14<sup>th</sup> February, 2024.

In addition, a separate meeting of the Independent Directors was held on 14<sup>th</sup> February, 2024. 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.

In the opinion of the Board, the independent directors fulfill the conditions specified in the regulations of SEBI (LODR), 2015 and they are independent of the Management.

## 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 R Srinivasan as the Chairman and Dr. Premchander, Mrs. Indra Prem Menon and Mr. C P Rangachar as the Members. While Mr. R Srinivasan, Dr. Premchander and Mrs. Indra Prem Menon are Non-Executive & Independent Directors and Mr. C P Rangachar is an Executive Director. Ms. Suchithra R is the Secretary 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, 29<sup>th</sup> May, 2023, 09<sup>th</sup> August, 2023, 08<sup>th</sup> November, 2023 and 14<sup>th</sup> February, 2024. The composition of Audit Committee as at 31<sup>st</sup> March, 2024 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	Mr. R Srinivasan	4	4
2	Mrs. Indra Prem Menon	4	3
3	Dr. Premchander	4	4
4	Mr. C P Rangachar	4	4

The Chairman of the Audit Committee, R Srinivasan was present at the Annual General Meeting held on 14<sup>th</sup> September, 2023.

## 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 Dr. Premchander and Mrs. Indra Prem Menon as

members. Ms. Suchithra R is the Secretary of the Nomination and Remuneration Committee.

During the financial year 2023-24, there were 4 (Four) Nomination and Remuneration Committee meetings held on 29<sup>th</sup> May, 2023, 14<sup>th</sup> September, 2023, 08<sup>th</sup> November, 2023 and 14<sup>th</sup> February, 2024 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 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	4	4
2	Mrs. Indra Prem Menon	4	3
3	Dr. Premchander	4	4

The Chairman of the Nomination and Remuneration Committee Mr. R Srinivasan was present at the Annual General Meeting held on 14<sup>th</sup> September, 2023.

Pursuant to the provisions of the Companies Act, 2013 read with Rules made thereunder and the SEBI Listing Regulations, 2015, performance evaluation of Directors, Committees and the Board as a whole was carried out. Detailed evaluation questionnaires were circulated to all Directors.

Nomination and Remuneration policy is available in Company website in below mentioned link.

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

## 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 as the members. Mr. H M

Narasinga Rao, CFO & Vice President-Finance & Ms. Suchithra R - Company Secretary & Compliance Officer of the Company to look into the issues pertaining to share transfers and stakeholders' grievances.

During the year, 1 (One) meetings of the Stakeholders Relationship Committee were held, viz., on 14<sup>th</sup> February, 2024. The proceedings of the Meeting of the Committee to be 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

The Chairman of the Stakeholders Relationship Committee Dr. Premchander was present at the Annual General Meeting held on 14<sup>th</sup> September, 2023.

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	-	-	-

## 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 Venkatakrisnan	- Member

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

During the year Risk Management Committee was not applicable to our company hence, there were no meetings held.

## 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
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 29<sup>th</sup> May, 2023. 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 31<sup>st</sup> March, 2024.

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

The policy relating to Policy-on-Material-Subsidiary-Companies is available in Company website:

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

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:

<http://www.yukenindia.com/wp-content/uploads/2016/02/Code-of-Conduct-1.pdf>

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

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

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	Kolben Hydraulics Limited	Subsidiary

## DISCLOSURES:

### (A) Related Party Transactions:

During the financial year 2023-24, besides the transactions reported in Note No. 45 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 raised the capital by the issuance and allotment of 10,00,000 equity shares of ₹10/- each at a premium of ₹ 619.00 each aggregating up to ₹6,290 lakhs on preferential basis to the promoter i.e. Yuken Kogyo Company Limited, Japan during the year ended 31<sup>st</sup> March, 2024 and utilized the funds for expanding the business activities and commencing the manufacturing of new products which shall be exported to Yuken Group companies and other customers.

### (D) Remuneration of Directors:

Mr. C P Rangachar, Managing Director is in receipt of salary in the scale of ₹5,80,000 – ₹700,000 per month with authority to Board to fix the annual increments.

Details of remuneration paid/payable to the Mr. C P Rangachar - Managing Director and Mr. Yoshitake Tanaka – Whole time director, during the year, 2023-24 is as under\*.

Sl. No.	Particulars	Amount in ₹	Amount in ₹
		Mr. CP Rangachar	Mr. Yoshitake Tanaka
1	Salary	69,60,000	49,84,800
2	Value of Perquisites	3,86,370	-
	Medical Reimbursements	1,18,617	-
3	Contribution to Provident & Superannuation Fund	18,79,200	-
4	Leave encashment	5,80,000	-
5	Commission	14,51,000	-
<b>Total</b>		<b>1,13,75,187</b>	<b>49,84,800</b>

- \*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.
- 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 2023-24 are given below:

Sl. No.	Name of the Director	Sitting fees	Commission	Total
1	Mr. Hideharu Nagahisa	1,20,000	2,84,378	4,04,378
2	Mr. Hidemi Yasuki	1,40,000	2,84,378	4,24,378
3	Mr. R Srinivasan	3,20,000	2,84,378	6,04,378
4	Dr. Premchander	3,00,000	2,84,378	5,84,378
5	Mrs. Vidya Rangachar	1,40,000	2,84,378	4,24,378
6	Mr. Parabrahman Tadimalla	40,000	2,84,378	3,24,378
7	Mr. Kaleginanaoor Chandrashekhar Sharma	40,000	2,84,378	3,24,378
8	Mrs. Indra Prem Menon	2,20,000	2,84,378	5,04,378
<b>Total</b>		<b>13,20,000</b>	<b>22,75,024</b>	<b>35,95,024</b>

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.

Mr. C P Rangachar, managing director, holds 84,400 equity shares of ₹10/- each in the Company for the year ended 31<sup>st</sup> March, 2024.

Mrs. Vidya Rangachar, a Director, holds 16,000 equity shares of ₹10/- each in the Company and the Company has paid the rent of ₹1.80 lakhs for the year ended 31<sup>st</sup> March, 2024. 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 31<sup>st</sup> March, 2024, which is annexed hereto.

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Giji Joseph (CP No. 5576), 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 MEETINGS:

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

Year	Date & Time	Special Resolution passed	Location
2020-21	14 <sup>th</sup> September, 2021, 10:00 am	Not Applicable	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").
2021-22	14 <sup>th</sup> September, 2022, 10:00 am	1. Reappointment of Mrs. Vidya Rangachar (DIN: 02612252), Non-Executive & Non Independent Director.  2. Appointment of Mr. Yoshitake Tanaka (DIN: 0009686092) as a Whole Time Director.	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").
2022-23	14 <sup>th</sup> September, 2023, 10:30 am	Not Applicable	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").

### POSTAL BALLOT:

Details of the special/ordinary resolutions passed by the Company through postal ballot during the year ended 31<sup>st</sup> March, 2024. The Company sought approval from the shareholders for passing of following special/ordinary resolutions as set in the following postal ballot notices through the process of Postal ballot. Mr. Abhishek Bharadhwaj AB, Practicing Company Secretary (FCS: 8908 & COP No. 13649) representing AAA & Co, Company Secretaries conducted the Postal Ballot process.

- a. To create, offer, issue and allot equity shares on Preferential Basis:  
Date of Postal Ballot Notice: May 12, 2023  
Voting Period: May, 19 2023(09.00 am) to June 17, 2023(5:00 P.M)  
Date of Declaration of results of Postal Ballot: June 18, 2023.  
Date of approval: June 17, 2023(Being the last date of Voting period)

The details of the resolutions along with the snap shot of the voting results are as follows.

**Type of Resolution: Special Resolution**

**(i) Voted in favour of the Resolution:**

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	37	28,42,701	99.995357%

**(ii) Voted in favour of the Resolution:**

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E voting	3	132	0.004643%

**(iii) Invalid Votes:**

Mode of Voting	Total Number of members whose votes were declared invalid	Total number of Votes Cast by them
E-voting	NIL	NIL

**Remarks:** Thus the special resolution has been passed with requisite majority.

b. Date of Postal Ballot Notice: November 08, 2023

Voting Period: November, 11 2023(09.00 am) to December 11, 2023(5:00 PM)

Date of Declaration of results of Postal Ballot: December 12, 2023.

Date of approval: December 12, 2023(Being the last date of Voting period)

**1. To Appoint Mr. T Parabrahman (DIN:01392252) as an Independent Director of the Company:**

**Type of Resolution: Special Resolution**

**(i) Voted in favour of the Resolution:**

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	56	82,14,643	99.99%

**(ii) Voted in favour of the Resolution:**

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E voting	3	117	0.01%

**(iii) Invalid Votes:**

Mode of Voting	Total Number of members whose votes were declared invalid	Total number of Votes Cast by them
E-voting	NIL	NIL

**Remarks:** Thus the spe

## 2. To Appoint Mr. K Chandrasekhar Sharma (DIN: 09505130) as an Independent Director of the Company:

## Type of Resolution: Special Resolution

## (i) Voted in favour of the Resolution:

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	56	82,14,643	99.99%

## (ii) Voted against the Resolution:

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	4	1,117	0.01%

## (iii) Invalid Votes:

Mode of Voting	Total Number of members whose votes were declared invalid	Total number of Votes Cast by them
E-voting	NIL	NIL

**Remarks:** Thus, the Special resolution has been passed with requisite majority.

3. To approve remuneration payable to Mr. C P Rangachar (managing director) for a period 1<sup>st</sup> may 2023 to 30<sup>th</sup> April 2025:

## Type of Resolution: Special Resolution

## (i) Voted in favour of the Resolution:

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	51	81,04,923	99.98%

## (ii) Voted against the Resolution:

Mode of Voting	Number of Members voting	Number of Votes Cast in favour of the Resolution	% of total number of valid votes cast
E-voting	5	1,437	0.02%

## (iii) Invalid Votes:

Mode of Voting	Total Number of members whose votes were declared invalid	Total number of Votes Cast by them
E-voting	NIL	NIL

Three promoter shareholders collectively holding 1,08,400 shares abstained from voting in this resolution as they were interested in this resolution.

**Remarks:** Thus, the Special resolution has been passed with requisite majority.

**a) Whether any special resolution is proposed to be conducted through postal ballot and the procedure thereof:**

There is no immediate proposal for passing any special resolution through ballot on or before ensuing Annual General Meeting.

**b) Procedure for Postal Ballot:**

The company endeavours to follow the procedure laid down under the relevant provisions of the Act read with relevant rules and the provisions of listing Regulations as and when there is any proposal for resolutions by Postal Ballot.

**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/> and <https://neaps.nseindia.com>.

Only the Yearly/quarterly financial results are being published in the Financial Express (English) and Hosa Digantha (Kannada) newspapers. It only releases the financial results and not the official news. The financial results were also hosted in the Company's website: <http://www.yukenindia.com/>. No presentation has been made to Institutional Investors or to Analysts.

**GENERAL SHAREHOLDER INFORMATION:**

<b>a. 48<sup>th</sup> Annual General Meeting</b>	
Day, date and time	05 <sup>th</sup> September 2024, 10:30 AM
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>b. Financial Calendar</b>	
i) Financial Year	April to March
ii) First Quarter Results	August
iii) Second Quarter Results	November
iv) Third Quarter Results	February
vi) Year end Results	May
<b>c. Date of Book Closure</b>	29 <sup>th</sup> August, 2024 to 05 <sup>th</sup> September, 2024
<b>d. Proposed Dividend</b>	₹1.5 per share (One Rupee Fifty Paise only per share)
<b>e. Dividend Payment Date</b>	30 days from the date of AGM
<b>f. Listing of Equity Shares</b>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code: 522108 National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 NSE Scrip Code: YUKEN
<b>g. Listing Fee</b>	Annual listing fee for the financial year 2024-25 paid to the Stock Exchanges
<b>h. Depository Fee</b>	Annual custody fee for the financial year 2024-25 paid to the depositories
<b>i. Corporate Identity Number</b>	L29150KA1976PLC003017
<b>j. Details of Registrar and Share Transfer Agents:</b>	KFin Technologies Limited (Formerly known as KFin Technologies 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: <a href="https://www.kfintech.com">https://www.kfintech.com</a> or <a href="https://ris.kfintech.com/">https://ris.kfintech.com/</a> Toll free No: - 1- 800-309-4001 & 1800 309 4001

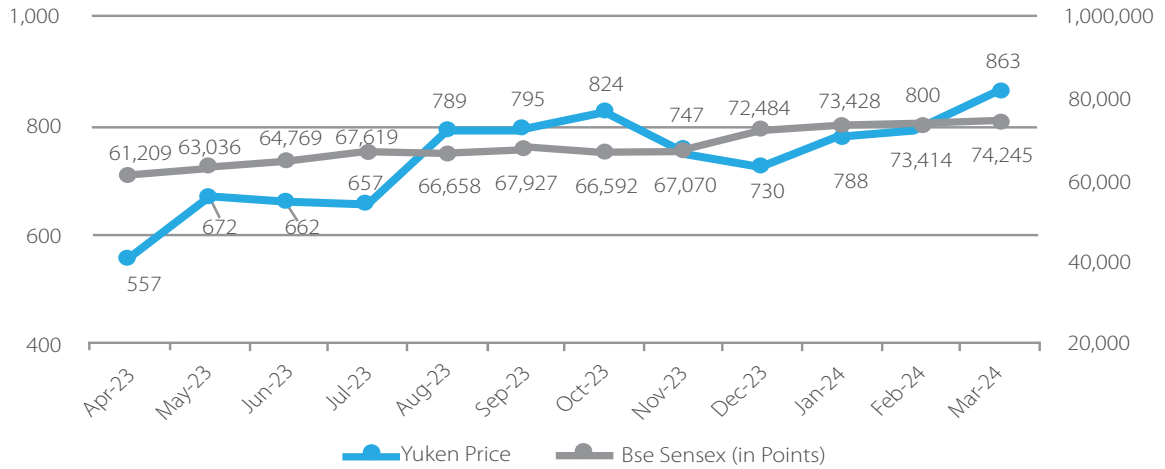
**k. Market Price Data:**

High – Low market price data during each month in the year 2023-24 at BSE Limited and National Stock Exchange is furnished below:

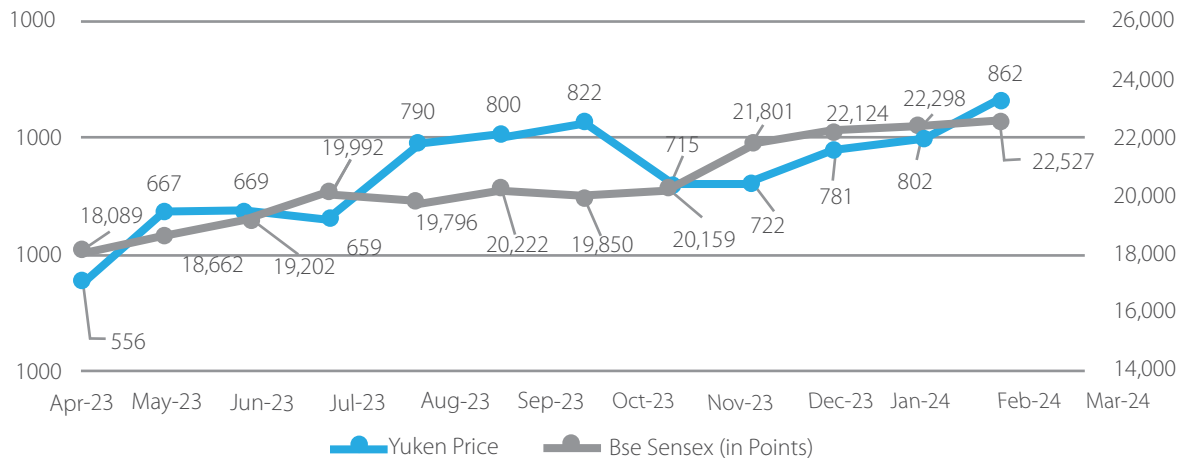
In ₹

Sl. No.	Month	BSE LIMITED			NATIONAL STOCK EXCHANGE		
		High	Low	Volume (In Lakhs)	High	Low	Volume (In Lakhs)
1	April	556.95	484.5	0.06	556.00	495.00	1.26
2	May	671.85	542.6	0.92	667.05	540.00	4.07
3	June	661.8	581.6	0.41	668.80	582.05	3.14
4	July	657	602.95	0.12	658.55	613.00	2.06
5	August	789.1	601.3	0.85	790.20	603.00	8.54
6	September	794.5	690	0.30	800.30	698.10	3.47
7	October	823.5	650	0.36	822.10	663.05	4.56
8	November	747.4	669.3	0.27	715.00	672.00	1.75
9	December	730	649.4	0.15	712.50	647.05	1.60
10	January	788	662	0.23	780.60	666.00	2.94
11	February	800	629.2	0.37	801.90	629.55	3.62
12	March	863	705	0.53	866.00	702.70	8.05

## SHARE PRICE MOVEMENT-BSE



## SHARE PRICE MOVEMENT-NSE





**I. 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 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 31<sup>st</sup> March, 2024.

**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 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).

**n. Distribution Schedule – Consolidated as on 31.03.2024**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
0 - 5000	6,300	86.6575	6,98,474	69,84,740	5.3729
5001 - 10000	440	6.0523	3,32,232	33,22,320	2.5556
10001 - 20000	249	3.425	3,69,762	36,97,620	2.8443
20001 - 30000	81	1.1142	2,01,739	20,17,390	1.5518
30001 - 40000	49	0.674	1,76,146	17,61,460	1.355
40001 - 50000	28	0.3851	1,28,060	12,80,600	0.9851
50001 - 100000	62	0.8528	4,41,850	44,18,500	3.3988
100001 & ABOVE	61	0.8391	1,06,51,737	10,65,17,370	81.9364
<b>Total</b>	<b>7,270</b>	<b>100</b>	<b>1,30,00,000</b>	<b>13,00,00,000</b>	<b>100</b>

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](http://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:

<http://www.yukenindia.com/unclaimed-dividend/>

**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 Limited (Formerly known as KFin Technologies Private Limited), Unit: Yuken India Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi, Hyderabad - 500 032 Telangana, India Tel.: 040 - 67161509 E Mail Id: Einward.ris@karvy.com Toll free No: - 1- 800-309-4001 .
For any other general matters or in case of any difficulties/grievances	Suchithra R 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: Suchithra.r@yukenindia.com csyil@yukenindia.com yilinfo@yukenindia.com,hmn_rao@yukenindia.com
Website address	www.yukenindia.com
Email ID of Investor Grievances Section	Suchithra.r@yukenindia.com
Name of the Compliance Officer	Suchithra R – Company Secretary

**q. Shareholding Pattern as on 31<sup>st</sup> March, 2024:**

Sl. No.	Category	No. of shares held	Percentage of Shareholding
1	Promoters' holding	73,00,208	56.16
2	Mutual Funds / UTI	2,000	0.02
3	Private Corporate Bodies	14,29,461	11
4	Indian Public	38,12,765	29.32
5	HUF	2,36,096	1.82
6	NRIs/OCBs	77,737	0.6
7	Clearing Members	60	0.00
8	IEPF	73,512	0.57
9	Trusts	400	0.00
10	Alternative Investment Fund	63,272	0.49
11	Foreign Portfolio	4,489	0.03
<b>Grand Total</b>		<b>1,30,00,000</b>	<b>100</b>

**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 31<sup>st</sup> March, 2024 is as under:

Sl. No.	Description	No of shares	% of total capital Issued
1	Held in dematerialized form in National Securities Depository Limited (NSDL)	99,77,865	76.75

Sl. No.	Description	No of shares	% of total capital Issued
2	Held in dematerialized form in Central Depositories India Limited (CDSL)	28,84,576	22.19
3	Physical	1,37,559	1.06
<b>Total</b>		<b>1,30,00,000</b>	<b>100</b>

**s. Credit Rating:**

Company has obtained the Credit Rating Report from CARE Ratings Limited on 04<sup>th</sup> September, 2023 the status remains same as previous year as BBB Stable.

The Credit Rating Report is available in Company website:

<http://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 Chandiook & Co, LLP, is as under:

**a. Towards Audit Fees:**

Amount in ₹

Sl. No.	Particulars	Fees paid
1	Statutory Audit (Including IFCoFR for the year ending 31 March 2024) (Consolidated and Standalone Financial statements)	21,50,000
2	Group Reporting for the year ended 31 March 2024	2,00,000
3	Quarterly Standalone and Consolidated Limited reviews - (Q1/Q2/Q3)	12,00,000
4	Corporate Governance Audit	50,000
5	Tax Audit	2,00,000
<b>Total</b>		<b>38,00,000</b>

Note: above mentioned amounts is excluding necessary taxes/GST and out of pocket expenses.

**OTHER DISCLOSURES:**

SI. NO.	PARTICULARS	PARTICULARS
1	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	<ul style="list-style-type: none"> <li>For the Financial year 2023-24</li> <li>1) Fine under regulation 17(1) of SEBI (LODR) w.r.t delay in appointing Woman Independent Director. Fine: ₹5,02,680/-</li> <li>2) Fine under regulation 23(9) of the SEBI (LODR) w.r.t delay in submission of Related Party Transactions for the Half Year ended 31.03.2023. Fine: ₹47,200/-</li> </ul>
2	Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee	The policy is available in Company website: <a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>
3	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.
4	Recommendations of Committees of the Board:	There were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any committee of the Board.

SI. NO.	PARTICULARS	PARTICULARS
5	Dividend Distribution Policy:	The Policy is available at the Company's Website: <a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>
6	Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Not Applicable.
7	Link to the Company's Policies	<a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>

## 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 31<sup>st</sup> March, 2024.

Place: Bengaluru  
Date: 22<sup>nd</sup> May, 2024

**For Yuken India Limited**

**C P Rangachar**  
Managing Director  
(DIN: 00310893)

## 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 to 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 COLETTORE	Managing Director	Approved
2.	09686092	YOSHITAKE TANAKA	Whole-time Director	Approved
3.	00043658	SRINIVASAN RANGARAJAN	Director	Approved
4.	00121917	INDRA MENON PREM	Director	Approved
5.	02278652	PREMCHANDER	Director	Approved
6.	02612252	VIDYA RANGACHAR	Director	Approved
7.	07913414	HIDEHARU NAGAHISA	Director	Approved
8.	08494981	HIDEMI YASUKI	Director	Approved
9.	01392252	PARABRAHMAN TADIMALLA	Director	Approved
10.	09505130	KALEGINANAOOR CHANDRASHEKHAR SHARMA	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 31<sup>st</sup> March, 2024.

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

**Gigi Joseph K J**

Partner

FCS No. 6483 / COP No. 5576

UDIN: F006483F000191536

Place: Bengaluru

Date: 19/04/2024

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

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 31<sup>st</sup> March, 2024 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,**  
Chief Financial Officer & VP Finance

**C P Rangachar**  
Chief Executive Officer & Managing Director

Place: Bengaluru  
Date: 22<sup>nd</sup> May, 2024

# Independent Auditor's Certificate on Corporate Governance

To  
the Members of  
**Yuken India Limited**

1. This certificate is issued in accordance with the terms of our engagement letters dated 04 August, 2023 and 16 May, 2024
2. We have examined the compliance of conditions of corporate governance by Yuken India Limited ('the Company') for the year ended on 31 March 2024, 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 2024.

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: 24059139BKEYIP9015

Place: Bengaluru  
Date: 22 May 2024



**Financial Statements**

# Independent Auditor's 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 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

### 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 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.

### Key Audit Matter

4. 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition  We refer to the Company's material accounting policies in Note 2(i) and the revenue related disclosure in Note 24 and Note 46 of the standalone financial statements.	Our audit procedures included, but were not limited to, the following: <ul style="list-style-type: none"> <li>• assessed the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts);</li> <li>• 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;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• scrutinized sales ledgers to verify completeness of sales transactions;</li> <li>• on a sample basis, tested the revenue recognised including testing of completeness 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;</li> <li>• tested the appropriateness of accruals for various rebates and discounts as at the year-end;</li> <li>• assessed the revenue recognised with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level;</li> <li>• circularized the invoice confirmation for samples of customers and reviewing the reconciling items, if any;</li> <li>• tested the related disclosures made in notes to the standalone financial statements in respect of the revenue from operations.</li> </ul>

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

6. The 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 standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in

Section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The 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

10. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
  11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the 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 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 Board of Directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  12. 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.
  13. 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.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. 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.
16. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

Further to our comments in Annexure II, 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; except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
  - 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 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 16(b) above on reporting under Section 143(3) (b) of the Act and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
  - h) 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 37(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
    - 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 2024;
    - 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 2024;
- iv.
    - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 51(1) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 51(2) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16(d) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As stated in Note 53 based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 01 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Vijay Vikram Singh**

Partner

Membership No.: 059139

UDIN: 24059139BKEYIM7209

Bengaluru

22 May 2024

## Annexure I referred to in paragraph 16 of 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 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 2 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 programme, certain property, plant and equipment ,capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (b) As disclosed in Note 18 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to audit, except for the following:
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 and 3B to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the Management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(Amount in ₹ lakhs)

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank	1,200.00	Stock and Trade receivables	Quarter – 3	17,034.00	17,283.61	-249.61
SBI Bank	150.00	Stock and Trade receivables	Quarter – 3	17,034.00	17,283.61	-249.61
HDFC Bank	1,200.00	Stock and Trade receivables	Quarter – 4	17,789.00	17,636.28	152.72
SBI Bank	150.00	Stock and Trade receivables	Quarter – 4	17,789.00	17,636.28	152.72



(iii) The Company has not made investments in or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has provided guarantee to companies during the year, in respect of which:

(a) The Company has provided guarantee to Subsidiaries during the year as per details given below:

(Amount in ₹ lakhs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount provided/granted during the year (₹):	200.00	-	-	-
- Subsidiaries				
Balance outstanding as at balance sheet date in respect of above cases (₹):	200.00	-	-	-
- Subsidiaries				

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under Section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the

Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has specified maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with 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) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amount in ₹ lakhs)

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	19.10	-	AY 2009-10	Income Tax Appellate Tribunal	-
Income Tax Act, 1961	Income Tax	10.83	-	AY 2012-13	Assessing Officer (Post remand back by ITAT)	-
Income Tax Act, 1961	Income Tax	18.50	-	AY 2014-15	Commissioner of Income Tax Appeals	-

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the Management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 and Section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the Management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the Management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Companies (CIC).
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and Management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company has not transferred unspent amounts towards Corporate Social Responsibility in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act as required under second proviso to sub-section (5) of Section 135 of the said Act. However, the time period of six months from the end of financial year as permitted under second proviso to sub-section (5) of Section 135 of the Act, has not lapsed till the date of our report.
- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act.
- (xxi) The reporting under clause 3(xx) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Vijay Vikram Singh**

Partner

Membership No.: 059139

UDIN: 24059139BKEYIM7209

Bengaluru

22 May 2024

## **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 2024**

### **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 2024, we have audited the internal financial controls with reference to 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 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 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 financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

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

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 financial statements and such controls were operating effectively as at 31 March 2024, 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.

#### **For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### **Vijay Vikram Singh**

Partner

Membership No.: 059139

UDIN: 24059139BKEYIM7209

Bengaluru

22 May 2024

# Standalone Balance Sheet as at 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,664.06	11,623.75
Capital work-in-progress	3A	1,349.95	936.67
Investment Property	3B	1,767.01	1,749.94
Intangible assets	4	230.08	297.28
Right-of-use assets	5	132.45	142.46
Financial assets			
(i) Investments	6	1,211.49	1,212.76
(ii) Loans	7	37.89	33.54
(iii) Other financial assets	8	70.06	70.04
Other non-current assets	9	501.55	553.14
		<b>18,964.54</b>	<b>16,619.58</b>
<b>Current assets</b>			
Inventories	10	6,543.85	6,080.58
Financial assets			
(i) Trade receivables	11	10,755.69	10,350.74
(ii) Cash and cash equivalents	12	985.77	208.43
(iii) Bank balances other than cash and cash equivalents	13	61.41	76.77
(iv) Loans	7	21.91	38.88
(v) Other financial assets	8	303.62	233.59
Current tax assets (net)	14	189.89	393.10
Investments held for sale	15	1.56	-
Other current assets	9	4,542.81	3,992.32
		<b>23,406.51</b>	<b>21,374.41</b>
<b>TOTAL ASSETS</b>		<b>42,371.05</b>	<b>37,993.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,300.00	1,200.00
Other equity	17	26,230.36	18,719.28
		<b>27,530.36</b>	<b>19,919.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	519.06	1,038.12
(ii) Lease liabilities	19	62.69	81.91
(iii) Other financial liabilities	20	8.11	16.40
Provisions	21	91.86	98.93
Deferred tax liabilities (net)	40	786.92	616.66
		<b>1,468.64</b>	<b>1,852.02</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	5,245.42	8,785.63
(ii) Lease liabilities	19	60.75	61.81
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		1,305.13	2,749.68
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,338.81	2,468.77
(iv) Other financial liabilities	20	3,000.91	1,278.84
Provisions	21	423.19	396.94
Other current liabilities	23	997.84	481.02
		<b>13,372.05</b>	<b>16,222.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,371.05</b>	<b>37,993.99</b>

See accompanying notes (1-53) forming part of these standalone financial statements

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Vijay Vikram Singh**

Partner

Membership No.: 059139

**Dr. Premchander**

Director

DIN: 02278562

**Parabrahman Tadimalla**

Director

DIN: 01392252

**C P Rangachar**

Managing Director

DIN: 00310893

**H M Narasinga Rao**

Chief Financial Officer

**Suchithra R**

Company Secretary

ACS : 70262

Bengaluru

22 May 2024

# Standalone Statement of Profit and Loss

 for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income</b>			
Revenue from operations	24	36,396.92	31,608.03
Other income	25	700.86	387.64
		<b>37,097.78</b>	<b>31,995.67</b>
<b>Expenses</b>			
Cost of materials consumed	26	19,304.63	16,528.86
Purchases of stock-in-trade	27	2,149.97	1,918.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(515.79)	(147.44)
Employee benefits expense	29	4,379.12	4,138.85
Finance costs	30	619.07	764.06
Depreciation and amortisation expense	31	944.00	775.48
Impairment loss on financial assets (Including reversal of impairment losses)	32	97.02	(100.00)
Other expenses	33	8,024.09	7,106.77
		<b>35,002.11</b>	<b>30,984.99</b>
		<b>2,095.67</b>	<b>1,010.68</b>
<b>Profit before exceptional items and tax</b>			
Exceptional item	34	-	238.57
<b>Profit before tax</b>		<b>2,095.67</b>	<b>1,249.25</b>
<b>Tax expense:</b>			
Current tax	41	446.86	215.18
Deferred tax charge		189.52	283.92
<b>Total tax expense</b>		<b>636.38</b>	<b>499.10</b>
<b>Profit after tax</b>		<b>1,459.29</b>	<b>750.15</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit / (loss)</b>			
Remeasurement losses on defined benefit plans		53.47	20.85
Income tax effect on above items		(19.26)	(2.38)
<b>Other comprehensive income for the year</b>		<b>34.21</b>	<b>18.47</b>
<b>Total comprehensive income for the year</b>		<b>1,425.08</b>	<b>731.68</b>
<b>Earnings per equity share :</b>			
Basic	36	11.44	6.25
Diluted	36	11.44	6.25

**See accompanying notes (1-53) forming part of these standalone 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****For and on behalf of the Board of Directors of Yuken India Limited****Vijay Vikram Singh**

Partner

Membership No.: 059139

**Dr. Premchander**

Director

DIN: 02278562

**Parabrahman Tadimalla**

Director

DIN: 01392252

**C P Rangachar**

Managing Director

DIN: 00310893

**H M Narasinga Rao**

Chief Financial Officer

**Suchithra R**

Company Secretary

ACS : 70262

Bengaluru  
22 May 2024



## Standalone Statement of Cash Flows for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax after exceptional items</b>	<b>2,095.67</b>	<b>1,249.25</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	875.01	721.50
Depreciation on right of use assets	68.99	53.98
Net unrealised exchange (gain)/loss	12.48	(27.10)
Loss on sale or on assets scrapped	0.76	-
Interest expense	619.07	764.06
Impairment losses	97.02	(100.00)
Bad debts written off	68.95	12.11
Interest income	(106.28)	(12.74)
Guarantee commission income	(58.49)	(46.67)
Profit on Sale of Registered JDA units	-	(238.57)
Profit on sale of assets	(1.83)	-
Liabilities no longer required written back	(4.86)	(1.01)
<b>Operating profit before working capital changes</b>	<b>3,666.49</b>	<b>2,374.81</b>
<b>Movements in working capital</b>		
Increase in inventories	(463.27)	(590.25)
(Increase)/ Decrease in trade receivables	(579.74)	144.77
Decrease in loans	12.62	7.25
(Increase)/ Decrease in other financial assets	(70.16)	96.98
Increase in other assets	(728.38)	(1,066.34)
(Decrease)/ Increase in trade payables	(1,587.84)	492.36
Increase in other financial liabilities	1,759.99	138.54
Decrease in provisions	(34.29)	(7.54)
Increase in non-financial liabilities	516.82	209.18
<b>Cash generated from operations</b>	<b>2,492.24</b>	<b>1,799.76</b>
Net income tax paid (net of refunds)	(197.65)	(306.88)
<b>Net cash generated from operating activities (A)</b>	<b>2,294.59</b>	<b>1,492.88</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital advances	(3,052.68)	(3,076.78)
Proceeds from sale of property, plant and equipment.	32.43	-
Net movement in bank deposits	15.36	16.00
Advance received on account of joint development of property	-	1,454.76
Investment in Subsidiaries	-	(200.00)
Interest received	60.39	13.75
<b>Net cash used in investing activities (B)</b>	<b>(2,944.50)</b>	<b>(1,792.27)</b>

## Standalone Statement of Cash Flows for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares	6,290.00	-
Proceeds from long-term borrowings	-	988.73
Repayment of long-term borrowings	(796.56)	(947.45)
Net increase / (decrease) in working capital borrowings	(3,262.71)	1,023.62
Repayment of principal amount on lease liability	(79.25)	(54.30)
Repayment of interest amount on lease liability	(13.58)	(11.77)
Interest expense paid	(606.49)	(738.00)
Dividend paid including dividend distribution tax and unclaimed dividend	(104.16)	(95.90)
<b>Net cash generated from financing activities (C)</b>	<b>1,427.25</b>	<b>164.93</b>
Net increase/(decrease) in cash and cash equivalents ( A + B + C )	<b>777.34</b>	<b>(134.46)</b>
Cash and cash equivalents at the beginning of the year	208.43	342.89
<b>Cash and cash equivalents at the end of the year</b>	<b>985.77</b>	<b>208.43</b>
<b>Cash and cash equivalents comprises:</b>		
Balances with banks		
-in current accounts	983.59	206.65
Cash on hand	2.18	1.78
<b>Cash and cash equivalents as per Standalone Balance Sheet</b>	<b>985.77</b>	<b>208.43</b>

### See accompanying notes (1-53) forming part of these standalone financial statements

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

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

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

**Vijay Vikram Singh**  
 Partner  
 Membership No.: 059139

**Dr. Premchander**  
 Director  
 DIN: 02278562

**Parabrahman Tadimalla**  
 Director  
 DIN: 01392252

**C P Rangachar**  
 Managing Director  
 DIN: 00310893

Bengaluru  
 22 May 2024

**H M Narasinga Rao**  
 Chief Financial Officer

**Suchithra R**  
 Company Secretary  
 ACS : 70262

## Standalone Statement of Changes in Equity for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
<b>As at 31 March 2022</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2023</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	10.00	100.00
<b>As at 31 March 2024</b>	<b>130.00</b>	<b>1,300.00</b>

### B. Other Equity

	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserves (General Reserve)	Retained earnings		
<b>Balance as at 01 April 2022</b>	<b>(64.60)</b>	<b>-</b>	<b>506.30</b>	<b>17,655.93</b>	<b>(14.04)</b>	<b>18,083.59</b>
Profit for the year	-	-	-	750.15	-	750.15
Items of the other comprehensive income, net of tax	-	-	-	-	(18.47)	(18.47)
Dividend	-	-	-	(96.00)	-	(96.00)
<b>Balance as at 31 March 2023</b>	<b>(64.60)</b>	<b>-</b>	<b>506.30</b>	<b>18,310.08</b>	<b>(32.51)</b>	<b>18,719.27</b>
Profit for the year	-	-	-	1,459.29	-	1,459.29
Shares issued at premium	-	6,190.00	-	-	-	6,190.00
Items of the other comprehensive income, net of tax	-	-	-	-	(34.21)	(34.21)
Dividend	-	-	-	(104.00)	-	(104.00)
<b>Balance as at 31 March 2024</b>	<b>(64.60)</b>	<b>6,190.00</b>	<b>506.30</b>	<b>19,665.37</b>	<b>(66.72)</b>	<b>26,230.35</b>

See accompanying notes (1-53) forming part of these standalone financial statements

This is the Standalone 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

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

**Vijay Vikram Singh**

Partner

Membership No.: 059139

**Dr. Premchander**

Director

DIN: 02278562

**Parabrahman Tadimalla**

Director

DIN: 01392252

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

22 May 2024

**H M Narasinga Rao**

Chief Financial Officer

**Suchithra R**

Company Secretary

ACS : 70262

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 1

#### General Information

Yuken India Limited ('the 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 Industrial Area, Bengaluru and Haryana. Sales and distribution network is spread across India. The Company has its registered office at No 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore - 560 048, India and its corporate office at PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District - 563 130, 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 BSE and NSE.

### Note 2

#### Material accounting policy information

##### (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, the Companies (Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI). The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on 22 May 2024.

##### (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 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2024, and accounting policies and other explanatory information (together hereinafter referred to as "standalone financial statements").

The standalone financial Statements have been prepared using the material 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 and judgements

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.

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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### **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;

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- 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*	3-15
Furniture and fixtures	10
Vehicles	8
Office equipment and Electrical installations*	5-10
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 technical 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

### (f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any

The Company depreciates investment properties on a straight-line basis over the useful life of the asset as specified in the table above.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values are determined by an independent valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

### (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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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 amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortization expense.

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

### (h) 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (i) 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') 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.

#### ***Training and other service income***

Revenue from training and other service income is recognised over the period when these services using an input method to measure the progress towards complete satisfaction of the training and other services because the customer simultaneously receives and consumes the benefits provided by the Company.

#### ***Duty drawback***

Income from export incentives such as duty drawback is recognised on accrual basis when there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collections exists.

### (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.



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### **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.

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) 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.

### **(l) 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.

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for the year ended 31 March 2024

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### (m) 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.

### (n) 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.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

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.

### (o) 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.

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### **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.

## **(p) Financial instruments**

### **Financial assets**

#### **Initial recognition and measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets (excluding trade receivables) and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition."

#### **Trade Receivables-**

At initial recognition, trade receivables are measured at their transaction price (as defined in Ind AS 115) if the trade receivables do not contain a significant financing component in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with Para 63 of Ind AS 115). The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk rather, it recognises impairment loss allowance based on lifetime expected credit loss ('ECL') at each reporting date, right from its initial recognition. Expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed."

#### **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.

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### 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.

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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.

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### *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.

## **(q) 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.

## **(r) 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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

### (s) 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.

### (t) 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".

### (u) 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 material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (v) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### (w) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### (x) Other Accounting policies

#### (i) 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 contract 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.



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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

### **(ii) 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

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									
<b>Balance as at 01 April 2022</b>	<b>2,168.56</b>	<b>4,212.68</b>	<b>3,502.49</b>	<b>291.23</b>	<b>219.26</b>	<b>656.45</b>	<b>630.05</b>	<b>12.89</b>	<b>11,693.61</b>
Additions	-	1,237.99	1,478.81	0.48	159.26	72.04	155.64	-	3,104.22
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2,168.56</b>	<b>5,450.67</b>	<b>4,981.30</b>	<b>291.71</b>	<b>378.52</b>	<b>728.49</b>	<b>785.69</b>	<b>12.89</b>	<b>14,797.83</b>
Additions	-	733.40	1,623.02	13.35	139.19	86.86	174.31	-	2,770.13
Disposals	-	-	(35.72)	-	(9.79)	(0.82)	-	(1.04)	(47.37)
<b>Balance as at 31 March 2024</b>	<b>2,168.56</b>	<b>6,184.07</b>	<b>6,568.60</b>	<b>305.06</b>	<b>507.92</b>	<b>814.53</b>	<b>960.00</b>	<b>11.85</b>	<b>17,520.59</b>
Accumulated depreciation									
<b>Balance as at 01 April 2022</b>	<b>-</b>	<b>907.08</b>	<b>1,083.06</b>	<b>67.65</b>	<b>55.64</b>	<b>303.80</b>	<b>140.21</b>	<b>8.97</b>	<b>2,566.41</b>
Depreciation for the year	-	141.50	298.04	15.36	27.98	75.45	48.86	0.48	607.67
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>1,048.58</b>	<b>1,381.10</b>	<b>83.01</b>	<b>83.62</b>	<b>379.25</b>	<b>189.07</b>	<b>9.45</b>	<b>3,174.08</b>
Depreciation for the year	-	159.10	351.85	15.49	38.86	75.43	57.56	0.17	698.46
Disposals	-	-	(5.93)	-	(9.30)	(0.78)	-	-	(16.01)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>1,207.68</b>	<b>1,727.02</b>	<b>98.50</b>	<b>113.18</b>	<b>453.90</b>	<b>246.63</b>	<b>9.62</b>	<b>3,856.53</b>
Net carrying amount									
<b>Balance as at 31 March 2023</b>	<b>2,168.56</b>	<b>4,402.09</b>	<b>3,600.20</b>	<b>208.70</b>	<b>294.90</b>	<b>349.24</b>	<b>596.62</b>	<b>3.44</b>	<b>11,623.75</b>
<b>Balance as at 31 March 2024</b>	<b>2,168.56</b>	<b>4,976.39</b>	<b>4,841.58</b>	<b>206.56</b>	<b>394.74</b>	<b>360.63</b>	<b>713.37</b>	<b>2.23</b>	<b>13,664.06</b>

#### Note:

(a) **Contractual obligations / Commitments**

Refer note 37 (b)

(b) **Capitalised borrowing cost**

The amount of borrowing costs capitalised during the year ended 31 March 2024 is ₹Nil (31 March 2023: ₹8.96). The rate of capitalisation is Nil (31 March 2023: 8.80%).

(c) **Property, plant and equipment pledged as security**

Details of properties pledged are as per note 18.

(d) Title deeds of the various freehold lands held by the Company are in the name of the Company.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3 Property, plant and equipment (contd.)

- d) The Company has leased out assets to its subsidiaries on which rental income is earned amounting to ₹51.51 (31 March 2023: ₹49.12). Details of such assets are as follows:

Gross carrying amount	Freehold land	Buildings	Total
<b>Balance as at 01 April 2022</b>	<b>140.07</b>	<b>684.46</b>	<b>824.53</b>
Additions	-	318.35	318.35
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>140.07</b>	<b>1,002.81</b>	<b>1,142.88</b>
Additions	-	50.60	50.60
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>140.07</b>	<b>1,053.41</b>	<b>1,193.48</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 01 April 2022</b>	-	<b>146.47</b>	<b>146.47</b>
Depreciation for the year	-	34.61	34.61
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	-	<b>181.08</b>	<b>181.08</b>
Depreciation for the year	-	39.11	39.11
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	-	<b>220.19</b>	<b>220.19</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2023</b>	<b>140.07</b>	<b>821.73</b>	<b>961.80</b>
<b>Balance as at 31 March 2024</b>	<b>140.07</b>	<b>833.22</b>	<b>973.29</b>

### Note 3A Capital work-in-progress

	As at 31 March 2024	As at 31 March 2023
Opening balance	936.67	1,304.85
Add: Additions during the year	3,368.83	4,609.69
Less: Capitalised during the year	(2,955.55)	(4,977.87)
	<b>1,349.95</b>	<b>936.67</b>

### Capital work in progress ageing schedule

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2024</b>					
Projects in progress	1,090.89	168.20	35.72	55.14	1,349.95
	<b>1,090.89</b>	<b>168.20</b>	<b>35.72</b>	<b>55.14</b>	<b>1,349.95</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Capital work in progress ageing schedule (contd)

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2023</b>					
Projects in progress	349.68	429.38	151.82	5.79	936.67
	<b>349.68</b>	<b>429.38</b>	<b>151.82</b>	<b>5.79</b>	<b>936.67</b>

(A) There are no projects that are overdue its completion as on 31 March 2024 and 31 March 2023.

(B) There are no projects that have been suspended as on 31 March 2024 and 31 March 2023.

(C) There is no capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

### Note 3B Investment Property

	Buildings	Total
<b>Gross carrying amount</b>		
<b>Balance as at 01 April 2022</b>	-	-
Additions	1,751.45	1,751.45
Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>1,751.45</b>	<b>1,751.45</b>
Additions	74.92	74.92
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>1,826.37</b>	<b>1,826.37</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 01 April 2022</b>	-	-
Depreciation for the year	1.51	1.51
Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>1.51</b>	<b>1.51</b>
Depreciation for the year	57.85	57.85
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>59.36</b>	<b>59.36</b>
<b>Net carrying amount</b>		
<b>Balance as at 31 March 2023</b>	<b>1,749.94</b>	<b>1,749.94</b>
<b>Balance as at 31 March 2024</b>	<b>1,767.01</b>	<b>1,767.01</b>

The fair value of apartments included in investment property is ₹1,655.64 (31 March 2023: ₹1,553.44) as against the cost amounting to ₹1,370.07, and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased and rental income of ₹47.79 (31 March 2023: ₹2.36) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 25).

Fair value hierarchy disclosures for investment properties have been provided in Note 43(b).

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4 Intangible assets

	ERP software	Technical fee	Intellectual property	Total
<b>Gross carrying amount</b>				
<b>Balance as at 01 April 2022</b>	<b>256.77</b>	<b>4.06</b>	<b>409.51</b>	<b>670.34</b>
Additions	46.45	-	-	46.45
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>303.22</b>	<b>4.06</b>	<b>409.51</b>	<b>716.79</b>
Additions	51.50	-	-	51.50
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>354.72</b>	<b>4.06</b>	<b>409.51</b>	<b>768.29</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 01 April 2022</b>	164.23	4.05	138.91	307.19
Amortisation for the year	37.48	-	74.84	112.32
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>201.71</b>	<b>4.05</b>	<b>213.75</b>	<b>419.51</b>
Amortisation for the year	43.86	-	74.84	118.70
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>245.57</b>	<b>4.05</b>	<b>288.59</b>	<b>538.21</b>
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2023</b>	<b>101.51</b>	<b>0.01</b>	<b>195.76</b>	<b>297.28</b>
<b>Balance as at 31 March 2024</b>	<b>109.15</b>	<b>0.01</b>	<b>120.92</b>	<b>230.08</b>

### Note 5 Right-of-use assets

	Servers	Laptops	Total
<b>Gross carrying amount</b>			
<b>Balance as at 01 April 2022</b>	86.84	97.31	184.15
Additions	-	75.71	75.71
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>86.84</b>	<b>173.02</b>	<b>259.86</b>
Additions	-	58.98	58.98
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>86.84</b>	<b>232.00</b>	<b>318.84</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 01 April 2022</b>	<b>50.67</b>	<b>12.75</b>	<b>63.42</b>
Amortisation for the year	17.37	36.61	53.98
Disposals	-	-	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 5 Right-of-use assets (contd)

	Servers	Laptops	Total
<b>Balance as at 31 March 2023</b>	<b>68.04</b>	<b>49.36</b>	<b>117.40</b>
Amortisation for the year	17.37	51.62	68.99
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>85.41</b>	<b>100.98</b>	<b>186.39</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2023</b>	<b>18.80</b>	<b>123.66</b>	<b>142.46</b>
<b>Balance as at 31 March 2024</b>	<b>1.43</b>	<b>131.02</b>	<b>132.45</b>

#### Note:

Lease liabilities: Refer note 19.

### Note 6 Investments

	Face value	As at 31 March 2024		As at 31 March 2023	
		No of Shares	Amount	No of Shares	Amount
<b>Trade (Unquoted)</b>					
<b>Valued at cost</b>					
<b>Investment in equity shares of subsidiaries:</b>					
Coretec Engineering India Private Limited	10	36,19,200	380.06	36,19,200	380.06
Grotek Enterprises Private Limited	10	50,10,000	523.00	50,10,000	523.00
Kolben Hydraulics Limited	10	28,59,700	285.97	28,59,700	285.97
<b>Extent of Investment in subsidiaries in %</b>					
Coretec Engineering India Private Limited		100.00%		100.00%	
Grotek Enterprises Private Limited		100.00%		100.00%	
Kolben Hydraulics Limited		95.30%		95.30%	
<b>Investment in equity shares of associates:</b>					
Sai India Limited	10	3,60,000	20.00	3,60,000	20.00
Bourton Consulting (India) Private Limited	10	24,675	2.46	37,300	3.73
<b>Extent of Investment in associates in %</b>					
Sai India Limited			40.00%		40.00%
Bourton Consulting (India) Private Limited (Refer Note(E))			19.54%		29.54%
<b>Investments measured at fair value through OCI</b>					
Hycor Engineering (India) Private Limited (Refer note (D))	10	9,41,330	94.13	9,41,330	94.13
The Shamrao Vittal Co-operative Bank Limited (Refer note (D))	10	2,000	0.50	2,000	0.50
Less : Provision for other than temporary diminution in value			(94.63)		(94.63)
			<b>1,211.49</b>		<b>1,212.76</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Notes

(A) Aggregate value of unquoted investments	1,306.12	1,307.39
(B) Aggregate value of impairment recorded	94.63	94.63

### (C) 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.

(D) The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

(E) The Company has passed a resolution on 9 August 2023 proposing to sell its stake in Bourton Consulting (India) Private Limited. The Company has reclassified 10% of its shareholding in the Associate i.e 12,625 shares of ₹10 each to Investment Held for Sale.

### Note 7 Loans

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
(Unsecured, considered good)		
Loan to related parties (Refer note 45)	24.63	33.24
Loan to employees	13.06	0.10
Others	0.20	0.20
	<b>37.89</b>	<b>33.54</b>
<b>Current</b>		
(Unsecured, considered good)		
Loan to related parties (Refer note 45)	9.61	27.04
Loan to employees	12.30	11.84
	<b>21.91</b>	<b>38.88</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 8 - Other financial assets

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Balance held as margin money	12.90	12.88
Other receivables	57.16	57.16
	<b>70.06</b>	<b>70.04</b>
<b>Current</b>		
Security deposits	274.71	165.31
Interest accrued on deposits	16.73	16.84
Other receivables from related parties (Refer note 45)	5.13	22.41
Other receivables	7.05	29.03
	<b>303.62</b>	<b>233.59</b>

#### Note:

#### (a) Other receivables (Non-current)

Pertains to amount receivable from Sivaguru Energy Consultants against Sale of Power Project at Athihalla. Payment is due as work of dedicated line for transmission, wheeling and banking agreement is still in process. CESCO has agreed to build the dedicated transmission line. Hence the Company is expecting the above Sale consideration to be adjusted against the energy generated by Sivaguru Energy Consultants and procured by the company.

#### (b) Other receivables (Current)

It comprises of rent receivable with respect to letting out of investment property.

#### (c) Balance held as margin money

Margin money is paid against performance guarantee provided by the bank to customers against the time period of the PO and can be encashed by the customer on non-performance of the contractual obligation. The Company cannot use the margin money until there is performance of the contractual obligation.

### Note 9 - Other assets

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Prepaid expenses	205.81	25.82
Deferred loan discounting	2.37	4.76
Capital advances	293.37	522.56
	<b>501.55</b>	<b>553.14</b>
<b>Current</b>		
Prepaid expenses	243.04	199.86
Deferred loan discounting	2.39	3.13
Advance to related parties (Refer note 45)	4,107.83	3,643.94
Advance to suppliers	182.44	135.84
Duty drawback receivable	5.65	8.13
Other advances	1.46	1.42
	<b>4,542.81</b>	<b>3,992.32</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 10 - Inventories

	As at 31 March 2024	As at 31 March 2023
(Lower of cost or net realisable value)		
Raw materials and components (includes goods in transit amounting to ₹Nil (31 March 2023: ₹6.97)	3,051.63	3,104.15
Work-in-progress	1,625.97	1,652.68
Finished goods (other than those acquired for trading)	1,351.40	893.55
Stock-in-trade	514.85	430.20
	<b>6,543.85</b>	<b>6,080.58</b>

Note :

- During the year ended March 31, 2024 and 2023, the Company recorded inventory at cost and had not written down to net realisable value.
- The Company values the inventories that are aged more than two years and not used even once during these two years at nil.

### Note 11 - Trade receivables

	As at 31 March 2024	As at 31 March 2023
<b>Considered good - Unsecured</b>	10,865.54	10,552.02
Trade receivables which have significant increase in credit risk	188.45	-
	<b>11,053.99</b>	<b>10,552.02</b>
Less: Allowance for doubtful trade receivables	298.30	201.28
	<b>10,755.69</b>	<b>10,350.74</b>

#### Trade receivables ageing schedule

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>						
Undisputed Trade receivables - considered good	9,706.52	486.41	418.78	70.77	183.06	10,865.54
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	3.65	184.80	188.45
	<b>9,706.52</b>	<b>486.41</b>	<b>418.78</b>	<b>74.43</b>	<b>367.86</b>	<b>11,053.99</b>
<b>As at 31 March 2023</b>						
Undisputed Trade receivables - considered good	9,071.87	760.15	221.32	92.64	406.03	10,552.02
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	<b>9,071.87</b>	<b>760.15</b>	<b>221.32</b>	<b>92.64</b>	<b>406.03</b>	<b>10,552.02</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 12 - Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Cash on hand	2.18	1.78
Balances with banks		
(i) In current accounts	982.61	206.65
(ii) In EEFC accounts	0.98	-
	<b>985.77</b>	<b>208.43</b>

### Note 13 - Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
<b>In earmarked accounts</b>		
(i) Unpaid dividend accounts	6.38	6.53
(ii) Unspent CSR accounts	6.39	6.39
(iii) Balance held as margin money (Refer Note 8 (c))	48.64	63.85
	<b>61.41</b>	<b>76.77</b>

### Note 14 - Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Advance income tax (net of provision for tax)	189.89	393.10
	<b>189.89</b>	<b>393.10</b>

### Note 15 - Investments held for sale

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Bourton Consulting (India) Private Limited (Measured at fair value through profit and loss) (12,625 shares of face value ₹10 each)	1.56	-
	<b>1.56</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 16 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	1,30,00,000	1,300.00	1,20,00,000	1,200.00
	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,20,00,000</b>	<b>1,200.00</b>

#### (a) Reconciliation of the number of shares

	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
<b>Equity shares of ₹10 each, par value</b>				
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 (Refer below Note)	10,00,000	100.00	-	-
<b>Balance at the end of the year</b>	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,20,00,000</b>	<b>1,200.00</b>

**Note:** As per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company has issued and allotted fully paid-up 1,000,000 equity shares of ₹10 each (at a premium of ₹619 per share) on preferential basis to Yuken Kogyo Company Limited (Promoter of the Company) on 28 June 2023.

#### (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) Aggregate number of shares issued for consideration other than cash

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.

#### (d) The Board of Directors, in its meeting held on 22 May 2024, proposed a final dividend of 15% (₹1.5 per equity share) for the financial year ended 31 March 2024. 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 ₹195.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (e) Details of shareholders holding more than 5% shares

	As at 31 March 2024		As at 31 March 2023	
	Number	Percentage	Number	Percentage
<b>Equity shares of ₹10 each, par value</b>				
Yuken Kogyo Co. Limited	58,00,000	44.62%	48,00,000	40.00%
Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	13,91,808	11.60%
GKK Capital Markets Private Limited	8,20,000	6.31%	7,46,000	6.22%

### (f) Disclosure of Shareholding of Promoters

Equity shares of ₹10 each with voting rights:

Promoter Name	No. of Shares	% Of total shares	% Change during the Year
<b>As at 31 March 2024:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	11.55%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	-7.67%
3. C P Rangachar	84,400	0.65%	-7.14%
4. Vidya Rangachar	16,000	0.12%	-7.69%
5. Madhuri Rangachar	8,000	0.06%	-14.29%
	<b>73,00,208</b>	<b>56.16%</b>	<b>-25.24%</b>
<b>As at 31 March 2023:</b>			
1. Yuken Kogyo Co. Limited	48,00,000	40.00%	-
2. Benefic Investments & Finance Co. Private Limited	13,91,808	11.60%	-
3. C P Rangachar	84,400	0.70%	-
4. Vidya Rangachar	16,000	0.13%	-
5. Madhuri Rangachar	8,000	0.07%	-
	<b>63,00,208</b>	<b>52.50%</b>	<b>-</b>

### Note 17 - Other equity

	As at 31 March 2024	As at 31 March 2023
General reserve	506.30	506.30
Retained earnings	19,598.65	18,277.58
Capital Reserve	(64.60)	(64.60)
Securities Premium	6,190.00	-
	<b>26,230.36</b>	<b>18,719.28</b>

#### General reserve:

General reserve represents appropriation of profits.

#### Retained earnings:

All the profits made or losses incurred by the Company are transferred to Retained earnings from the Statement of Profit and Loss.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Capital Reserve:

Capital Reserve has been created on account of merger of Yuflow Engineering Private Limited in the current year.

### Securities Premium:

The securities premium represents the issue price of equity shares above its face value.

### Note 18 - Borrowings

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
(Secured)		
Term loans from banks	1,038.12	1,834.68
	<b>1,038.12</b>	<b>1,834.68</b>
Less: Current maturities of long-term borrowings	519.06	796.56
	<b>519.06</b>	<b>1,038.12</b>
<b>Current</b>		
(Secured)		
Loans repayable on demand from banks	4,026.36	6,689.07
Current maturities of long-term borrowings	519.06	796.56
(Unsecured)		
Working capital loans from banks	700.00	1,300.00
	<b>5,245.42</b>	<b>8,785.63</b>

### Details of limit, repayment, rate of interest, guarantee and security

#### (a) Secured borrowings

##### (i) Term loans from banks

	As at 31 March 2024	As at 31 March 2023
<b>Mizuho Bank Limited</b>		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	2,000.00
Amount outstanding	-	277.50
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate 9.05% (31 March 2023: 9.05%)		
<b>Mizuho Bank Limited</b>		
Loan limit	2,500.00	2,500.00
Loan availed	1,974.62	1,974.62
Amount outstanding	1,038.12	1,557.18
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate 8.65% (31 March 2023: 8.40%)		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Security Details for the term loans taken from Mizuho Bank Limited:

(a) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹4,500.

### (b) Secured working capital loans from banks

	As at 31 March 2024	As at 31 March 2023
<b>Mizuho Bank Limited</b>		
Loan limit	3,000.00	3,000.00
Amount outstanding	2,000.00	2,800.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited</b>		
Loan limit	1,200.00	1,200.00
Amount outstanding	213.04	-
Repayable on demand		
Interest rate - MCLR rates +2.60%		
<b>State Bank of India (SBI)</b>		
Loan limit	150.00	150.00
Amount outstanding	113.32	-
Repayable on demand		
Interest rate - MCLR rates + 2.50%		
<b>Sumitomo Mitsui Banking Corporation(SMBC)</b>		
Loan limit	5,000.00	5,000.00
Amount outstanding	1,700.00	3,889.07
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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Sumitomo Mitsui Banking Corporation (SMBC)

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000.

### Mizuho Bank Limited

(i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.

### Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2024	As at 31 March 2023
<b>Term Loans and Loans repayable on demand.</b>		
Land and building (Net carrying value)	7,144.95	6,570.65
Stock	6,543.85	6,080.58
Trade receivables	10,755.69	10,350.74
Other current assets	5,917.08	4,549.99
Movable Property, plant and equipment	6,519.11	5,053.10

#### Note:

The Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Company has carried out a reconciliation between these statements filed with the books of account which resulted in material discrepancy in Q3 & Q4, which was due to overhead allocation variances.

	As at 31 March 2024	As at 31 March 2023
<b>Reconciliation of liabilities arising from Company's financing activities</b>		
Opening balance	9,823.75	8,758.85
Proceeds from long-term borrowings	-	988.73
Net movement in working capital borrowings	(3,262.71)	1,023.62
Repayment of long-term borrowings	(796.56)	(947.45)
<b>Closing balance</b>	<b>5,764.48</b>	<b>9,823.75</b>

### Note 19 - Lease liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Lease liabilities (Refer note 48)	62.69	81.91
	<b>62.69</b>	<b>81.91</b>
<b>Current</b>		
Lease liabilities (Refer note 48)	60.75	61.81
	<b>60.75</b>	<b>61.81</b>
<b>Movement in lease liabilities</b>		
Balance at the beginning of the year	143.72	122.31
Lease liability recognised during the year	58.97	75.71
Finance cost incurred during the year	13.58	11.77
Payment of lease liabilities	(92.83)	(66.07)
<b>Balance at the end of the year</b>	<b>123.44</b>	<b>143.72</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 20 - Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Uncharged guarantee commission income (Refer note 45)	5.64	13.93
<b>Others security deposits</b>	2.47	2.47
	<b>8.11</b>	<b>16.40</b>
<b>Current</b>		
Trade / security deposits received	527.09	542.04
Payable to employees	657.80	535.04
Interest accrued but not due on borrowings	6.33	8.33
Unpaid dividends	6.38	6.54
Capital creditors	171.49	143.53
Interest accrued on trade payables (Refer note 38)	28.77	42.29
Other (Payables to LIC)	0.99	1.07
Other (Payables to RXIL)	1,602.06	-
	<b>3,000.91</b>	<b>1,278.84</b>

#### Note: Payables to RXIL

During the current year, the Company entered into an arrangement with RXIL. Under this arrangement, the bank advances the payment to the vendor through RXIL platform at an interest rate that is lower than the market. The balance outstanding amount of ₹1,602.06 lakhs pertains to amount payable to bank as per this arrangement.

### Note 21 - Provisions

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Provision for defined benefit obligations (Refer note 42)	91.86	98.93
	<b>91.86</b>	<b>98.93</b>
<b>Current</b>		
Provision for compensated absences (Refer note 42)	306.56	292.61
Provision for defined benefit obligations (Refer note 42)	74.44	56.34
Provision for superannuation	42.19	47.99
	<b>423.19</b>	<b>396.94</b>

### Note 22 - Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSE) (Refer note 38)	1,305.13	2,749.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,338.81	2,468.77
	<b>3,643.94</b>	<b>5,218.45</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Trade payables ageing schedule

	Outstanding for following periods from date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024						
Dues to MSE	-	1,302.01	1.77	1.16	0.19	1,305.13
Dues to Others	269.73	2,042.95	12.99	0.99	12.15	2,338.81
	<b>269.73</b>	<b>3,344.96</b>	<b>14.76</b>	<b>2.15</b>	<b>12.34</b>	<b>3,643.94</b>
As at 31 March 2023						
Dues to MSE	-	2,747.08	0.99	1.30	0.31	2,749.68
Dues to Others	375.15	2,054.80	18.41	14.66	5.75	2,468.77
	<b>375.15</b>	<b>4,801.88</b>	<b>19.40</b>	<b>15.96</b>	<b>6.06</b>	<b>5,218.45</b>

### Note 23 - Other liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Statutory dues payable	169.13	266.67
Revenue received in advance	828.71	214.35
	<b>997.84</b>	<b>481.02</b>

### Note 24 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products (Refer note 46 and 47)	36,282.99	31,514.44
	<b>36,282.99</b>	<b>31,514.44</b>
<b>Other operating revenue</b>		
Training and other services rendered	108.91	83.14
Duty drawback	5.02	10.45
	<b>113.93</b>	<b>93.59</b>
	<b>36,396.92</b>	<b>31,608.03</b>

### Reconciling the amount of revenue recognized in the statement of profit and loss with contracted price:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	36,282.99	31,514.44
Adjustments:		
Discounts	-	-
<b>Revenue from contracts with customers</b>	<b>36,282.99</b>	<b>31,514.44</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Details of contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	10,755.69	10,350.74
Advances from customers	828.71	214.35
<b>Total</b>	<b>11,584.40</b>	<b>10,565.09</b>

### Movement in contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contract liabilities</b>		
Opening balance	214.35	7,271.69
Less: Revenue recognised from above/ advance forfeited	(214.35)	(7,271.69)
Add: Additions during the year	828.71	214.35
<b>Closing balance</b>	<b>828.71</b>	<b>214.35</b>
<b>Non-current</b>	-	-
<b>Current</b>	<b>828.71</b>	<b>214.35</b>

**Note:** There are no existing contracts that are unsatisfied or partially unsatisfied.

### Note 25 - Other income

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest income:</b>		
- on deposits with banks	3.11	5.99
- on overdue trade receivables	64.19	90.49
- on others	103.17	6.75
Liabilities/ provisions no longer required written back	4.86	1.01
Profit on sale of property, plant and equipment (net)	1.83	-
Rental income (Refer note 45)	99.30	51.49
Sale of scrap	128.13	142.75
Discount received	237.49	42.50
Miscellaneous income (comprises of guarantee commission)	58.78	46.66
	<b>700.86</b>	<b>387.64</b>

### Note 26 - Cost of materials consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock	3,104.15	2,661.33
<b>Add : Purchases</b>	<b>19,252.11</b>	<b>16,971.68</b>
	<b>22,356.26</b>	<b>19,633.01</b>
<b>Less : Closing stock</b>	<b>3,051.63</b>	<b>3,104.15</b>
	<b>19,304.63</b>	<b>16,528.86</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 27 - Purchases of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of traded goods	2,149.97	1,918.41
	<b>2,149.97</b>	<b>1,918.41</b>

### Note 28 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the end of the year:</b>		
Finished goods	1,351.40	893.55
Work-in-progress	1,625.97	1,652.68
Stock-in-trade	514.85	430.20
	<b>3,492.22</b>	<b>2,976.43</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	893.55	977.26
Work-in-progress	1,652.68	1,511.18
Stock-in-trade	430.20	340.55
	<b>2,976.43</b>	<b>2,828.99</b>
	<b>(515.79)</b>	<b>(147.44)</b>

### Note 29 - Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	3,729.86	3,499.98
Contributions to provident and other funds (Refer note 42)	314.17	343.53
Staff welfare expenses	335.09	295.34
	<b>4,379.12</b>	<b>4,138.85</b>

### Note 30 - Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on borrowings	598.67	703.28
Interest expenses on leases	13.58	11.77
Interest on others	6.82	49.01
	<b>619.07</b>	<b>764.06</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 31 - Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Depreciation on Property, plant and equipment (Refer note 3)</b>	698.46	607.67
Depreciation on Investment property (Refer note 3)	57.85	1.51
Amortisation on intangible assets (Refer note 4)	118.70	112.32
Amortisation on right-of-use assets (Refer note 5)	68.99	53.98
	<b>944.00</b>	<b>775.48</b>

### Note 32 - Impairment loss on financial assets (Including reversal of impairment losses)

	Year ended 31 March 2024	Year ended 31 March 2023
Provision for doubtful trade receivables	97.02	(100.00)
	<b>97.02</b>	<b>(100.00)</b>

### Note 33 - Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	344.97	334.87
Tools consumed	436.17	316.47
Consumption of packing materials	524.80	461.80
Subcontracting	2,225.64	1,764.21
Contract labour wages	525.82	511.39
Power and fuel	310.68	250.88
Rent including lease rentals	229.41	190.48
Repairs and maintenance - Buildings	158.20	123.53
Repairs and maintenance - Machinery	399.63	405.29
Repairs and maintenance - Others	29.20	37.91
Vehicle maintenance	58.24	51.75
Insurance	33.03	28.38
Rates and taxes	37.57	28.98
Travelling and conveyance	672.51	727.99
Freight and forwarding	603.76	519.91
Legal and professional charges	418.64	394.95
Remuneration to auditors (Refer note 35 below)	39.55	31.41
Bad trade and other receivables written off	68.95	12.11
Net loss on foreign currency transactions and translation	57.43	121.49
Loss on sale of property, plant and equipment (net)	0.76	-
Corporate social responsibility expenses (Refer note 50)	17.07	18.28
Miscellaneous expenses	832.06	774.69
	<b>8,024.09</b>	<b>7,106.77</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 34 - Exceptional items

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of residential flats under Joint development of property	-	9,636.26
Less: Cost of sales	-	(9,397.69)
	-	<b>238.57</b>

#### Sale of Company's share of residential units:

During the previous year, the Company fulfilled its performance obligation with respect to the sale of certain Company's share of residential units by registering the said units in the name of the unit owner due to which the control over these units were transferred to the unit owner. Accordingly the Company recorded the revenue from sale of such units in accordance with Ind AS 115. All the flats have been registered during the year and a gain to the extent of ₹238.57 has been recognized.

### Note 35 - Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit	36.34	29.95
Tax audit	2.00	1.00
Reimbursement of expenses	1.21	0.46
	<b>39.55</b>	<b>31.41</b>

### Note 36 - Earnings per share

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Basic and diluted</b>		
Net profit for the year attributable to the equity shareholders	1,459.29	750.15
Weighted average number of equity shares	1,27,56,831	1,20,00,000
Par value per share	10.00	10.00
Earnings per share - Basic	11.44	6.25
Earnings per share - Diluted	11.44	6.25

### Note 37 - Contingencies and commitments

#### (a) Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Claims against the Company not acknowledged as debts</b>		
<b>Disputed income tax liabilities</b>		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	-	4.37
(iii) AY 2012-13	10.83	10.83
(iv) AY 2014-15	18.50	-
	<b>48.43</b>	<b>34.30</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Others

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.

### (b) Commitments

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b>		
Capital commitments	375.94	87.77
<b>Other commitments</b>		
Corporate guarantees given to subsidiaries	4,650.00	4,450.00

### Note 38 - Dues to micro and small 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 2024 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 2024	As at 31 March 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,305.13	2,749.68
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	42.29	27.04
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	14.54	7.14
The amount of interest due and payable for the year	1.01	22.39
The amount of interest accrued and remaining unpaid at the end of the accounting year	28.77	42.29
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure	Nil	Nil

### Note 39 - Disclosure in respect of loans given, investment made, guarantees given and security provided as per Section 186(4) of the Companies Act, 2013

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Guarantees given during the year</b>		
Grotek Enterprises Private Limited	-	306.00
Kolben Hydraulics Ltd (Refer Note below)	200.00	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note:

The Company has provided guarantee in respect of the working capital loan taken by Kolben Hydraulics Ltd from Sumitomo Mitsui Banking Corporation(SMBC) during the current year.

### Note 40 - 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 2024	As at 31 March 2023
Borrowings (Refer note 18)	5,764.48	9,823.75
Trade payables (Refer note 22)	3,643.94	5,218.45
Less: Cash and cash equivalents (Refer note 12)	985.77	208.43
Less: Bank balances other than cash and cash equivalents (Refer note 13)	61.41	76.77
<b>Net debt</b>	<b>10,455.60</b>	<b>15,327.40</b>
Equity	1,300.00	1,200.00
Other equity	26,230.36	18,719.28
<b>Capital and net debt</b>	<b>37,985.96</b>	<b>35,246.68</b>
Gearing ratio	28%	43%

### Note 41 - Income Tax

The major components of income tax expense are:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current income tax:</b>		
Current income tax charge	446.86	215.18
	<b>446.86</b>	<b>215.18</b>
<b>Deferred tax charge</b>		
Relating to the origination and reversal of temporary differences	189.52	283.91
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>636.38</b>	<b>499.09</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gains on defined benefit plans	(19.26)	(2.38)
	<b>(19.26)</b>	<b>(2.38)</b>
	<b>617.12</b>	<b>496.71</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Reconciliation of deferred tax liabilities (net)	As at 31 March 2024	As at 31 March 2023
Reconciliation of deferred tax liabilities (net)		
Opening balance	616.65	335.14
Deferred tax charge during the year recognised in statement of profit and loss	189.52	283.91
Deferred tax charge/(credit) during the year recognised in OCI	(19.26)	(2.38)
<b>Closing balance</b>	<b>786.91</b>	<b>616.65</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	2,095.67	1,249.25
Tax on accounting profit at statutory income tax rate at 29.12% (31 March 2023: 27.82%)	625.83	353.34
<b>Reconciling items:</b>		
<b>Expenses/(Income) disallowed under the provisions of Income tax Act, 1961</b>		
Donations and others	2.53	168.87
Change in income tax rate	8.02	(23.12)
	<b>636.38</b>	<b>499.09</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>636.38</b>	<b>499.09</b>

### Details of items disclosed under deferred tax assets / (liabilities):

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	277.22	206.58
Deferred tax liabilities	(1,064.14)	(823.24)
<b>Deferred tax liability, net</b>	<b>(786.92)</b>	<b>(616.66)</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Significant components of deferred tax asset / (liability) for the year ended 31 March 2024 are as follows :

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(823.24)	(238.97)	-	-	(1,062.21)
(ii) Provision for doubtful receivables and advances	55.99	30.87	-	-	86.86
(iii) Re-measurement of defined benefit liability	124.44	(4.93)	19.26	-	138.77
(iv) Fair value measurement of financial asset/liability	25.11	-	-	-	25.11
(v) Lease liabilities net of lease assets	1.04	(2.97)	-	-	(1.93)
(vi) Others (Expenses)	-	26.48	-	-	26.48
<b>Deferred tax liability, net</b>	<b>(616.66)</b>	<b>(189.52)</b>	<b>19.26</b>	<b>-</b>	<b>(786.92)</b>

Significant components of deferred tax asset / (liability) for the year ended 31 March 2023 are as follows :

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(578.85)	(244.39)	-	-	(823.24)
(ii) Provision for doubtful receivables and advances	87.73	(31.74)	-	-	55.99
(iii) Re-measurement of defined benefit liability	129.72	(7.66)	2.38	-	124.44
(iv) Fair value measurement of financial asset/liability	25.11	-	-	-	25.11
(v) Lease liabilities net of lease assets	1.15	(0.11)	-	-	1.04
<b>Deferred tax liability, net</b>	<b>(335.14)</b>	<b>(283.90)</b>	<b>2.38</b>	<b>-</b>	<b>(616.66)</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 42

#### 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.

#### 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 ₹207.62 (31 March 2023: ₹229.61) for provident fund contributions and ₹42.92 (31 March 2023: ₹48.70) 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.

#### 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:

#### 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.

#### 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 liquid assets not being sold in time.

#### 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.

#### 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.

#### 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 material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### 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.

### Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

	As at 31 March 2024	As at 31 March 2023
<b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :</b>		
Current service cost	45.96	45.89
Interest cost	42.27	38.99
Expected return on plan assets	(30.68)	(26.17)
<b>Components of defined benefit costs recognised in Standalone Statement of Profit or Loss</b>	<b>57.55</b>	<b>58.71</b>
<b>Re-measurement on the net defined benefit liability :</b>		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	44.18	15.12
Return on Plan assets excluding amount recognised in net interest expense	9.29	5.73
<b>Components of defined benefit costs recognised in Standalone Other Comprehensive Income</b>	<b>53.47</b>	<b>20.85</b>
<b>Actual contribution and benefit payments for year :</b>		
Actual benefit payments	112.54	68.29
Actual contributions	100.01	100.01
<b>Net asset / (liability) recognised in the Standalone Balance Sheet :</b>		
Present value of defined benefit obligations	(586.04)	(566.17)
Fair value of plan assets	419.77	410.91
<b>Funded status - deficit</b>	<b>(166.27)</b>	<b>(155.26)</b>
Unrecognised past service costs	-	-
<b>Net liability recognised in the Standalone Balance Sheet</b>	<b>(166.27)</b>	<b>(155.26)</b>
<b>Change in defined benefit obligations (DBO) during the year :</b>		
Present value of DBO at the beginning of the year	566.17	534.46
Current service cost	45.96	45.89
Interest cost	42.27	38.99
Actuarial losses	44.18	15.12
Benefits paid	(112.54)	(68.29)
<b>Present value of DBO at the end of the year</b>	<b>586.04</b>	<b>566.17</b>
<b>Change in fair value of assets during the year :</b>		
Plan assets at the beginning of the year	410.91	358.75
Expected return on plan assets	30.68	26.17
Actual company contributions	100.01	100.01
Actuarial losses	(9.29)	(5.73)
Benefits paid	(112.54)	(68.29)
<b>Plan assets at the end of the year</b>	<b>419.77</b>	<b>410.91</b>
Actual return on plan assets	21.39	20.44

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2024	As at 31 March 2023
<b>Composition of the plan assets is as follows :</b>		
Others- insurer managed funds	100%	100%
<b>Actuarial assumptions :</b>		
Discount rate		
Salary escalation	7.15%	7.45%
Attrition	4.00%	2.00% for first year and 4% thereafter
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

### Note:

- The Company is estimated to contribute ₹211.90 (March 2023 ₹200.08) towards gratuity funds during the next year.
- Details of fund assets which are managed by an insurance company have not been disclosed since the details have not been provided by them.
- 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 2024	As at 31 March 2023
<b>Impact of change in the discount rate</b>		
Impact due to increase of 1%	(48.07)	(51.46)
Impact due to decrease of 1%	55.92	44.35
<b>Impact of change in the salary growth rate</b>		
Impact due to increase of 1%	54.52	45.96
Impact due to decrease of 1%	(48.32)	(51.30)
<b>Impact of change in the attrition rate</b>		
Impact due to increase of 50%	9.50	10.49
Impact due to decrease of 50%	(10.37)	(9.62)
<b>Impact of change in the mortality rate</b>		
Impact due to increase of 10%	0.51	0.46
Impact due to decrease of 10%	(0.52)	(0.45)

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 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:

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2024	As at 31 March 2023
1 year	74.45	56.35
2 - 5 years	235.92	255.36
6 - 10 years	160.17	150.44
More than 10 years	826.81	802.96

### Compensated absences

	As at 31 March 2024	As at 31 March 2023
Charge in the Statement of Profit and Loss	60.99	103.94
Liability as at the year end	306.56	292.61
<b>Actuarial assumptions</b>		
Discount rate	7.15%	7.45%
Salary escalation	4.00%	2.00% for first year and 4% thereafter
<b>Attrition</b>		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

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 - 43 Fair value measurements

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2024 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>Assets:</b>				
Loans	7			
Loan to related parties		34.24	-	-
Loan to employees		25.36	-	-
Others		0.20	-	-
Cash and cash equivalents	12	985.77	-	-
Bank balances other than cash and cash equivalents	13	61.41	-	-
Investments held for sale	15	-	1.56	-
Other financial assets	8			
Balance held as margin money account		12.90	-	-
Security deposits		274.71	-	-
Interest accrued on deposits		16.73	-	-
Other receivables from related parties		5.13	-	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Other receivables		64.21	-	-
Trade receivables	11	10,755.69	-	-
<b>Total</b>		<b>12,236.35</b>	<b>1.56</b>	<b>0.00</b>
<b>Liabilities:</b>				
Borrowings	18	5,764.48	-	-
Trade payables	22	3,643.94	-	-
Lease liabilities	19	123.44	-	-
Other financial liabilities	20		-	-
Uncharged guarantee commission income		5.64	-	-
Trade / security deposits received		527.09	-	-
Payable to employees		657.80	-	-
Interest accrued but not due on borrowings		6.33	-	-
Unpaid dividends		6.38	-	-
Payables on purchase of fixed assets		171.49	-	-
Interest accrued on trade payables		28.77	-	-
Accrued liabilities		-	-	-
Commission payable on account of Joint development of property		-	-	-
Vendor financing		1,602.06	-	-
Others		3.46	-	-
<b>Total</b>		<b>12,540.88</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>Assets:</b>				
Loans	7			
Loan to related parties		60.28	-	-
Loan to employees		11.94	-	-
Others		0.20	-	-
Cash and cash equivalents	12	208.43	-	-
Bank balances other than cash and cash equivalents	13	76.77	-	-
Other financial assets	8			
Balance held as margin money account		12.88	-	-
Security deposits		165.31	-	-
Interest accrued on deposits		16.84	-	-
Other receivables from related parties		22.41	-	-
Other receivables		86.19	-	-
Trade receivables	11	10,350.74	-	-
<b>Total</b>		<b>11,011.99</b>	<b>-</b>	<b>0.00</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>Liabilities:</b>				
Borrowings	18	9,823.75	-	-
Trade payables	22	5,218.45	-	-
Lease liabilities	19	143.72		
Other financial liabilities	20			
Uncharged guarantee commission income		13.93	-	-
Trade / security deposits received		542.04	-	-
Payable to employees		535.04	-	-
Interest accrued but not due on borrowings		8.33	-	-
Unpaid dividends		6.54	-	-
Payables on purchase of fixed assets		143.53	-	-
Interest accrued on trade payables		42.29	-	-
Accrued liabilities		-	-	-
Commission payable on account of Joint development of property		-	-	-
Vendor financing		-	-	-
Others		3.54	-	-
<b>Total</b>		<b>16,481.16</b>	<b>-</b>	<b>-</b>

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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments held for sale	15	-	1.56	-	1.56
Non current investments	6	-	-	-	-

As at 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	-	-

### b) Description of valuation techniques used and key inputs valuation disclosures on investment properties \*

Investment Properties	Valuation technique	Rate / Sq.Ft	Hierarchy	Fair Value (in ₹)	Actual Cost (in ₹)
Apartments	Estimated fair value	7,600	Level 2	1,655.64	1,370.07

## Note 44 - 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 its 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 2024	As at 31 March 2023
Investments	1,211.49	1,212.76
Loan to related parties	34.24	60.28
Loan to employees	25.36	11.94
Others	0.20	0.20
Cash and cash equivalents	985.77	208.43
Bank balances other than cash and cash equivalents	61.41	76.77
Balance held as margin money account	12.90	12.88
Security deposits	274.71	165.31
Interest accrued on deposits	16.73	16.84



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Assets under credit risk

	As at 31 March 2024	As at 31 March 2023
Other receivables from related parties	5.13	22.41
Other receivables	64.21	-
Trade receivables	10,755.69	10,350.74
	<b>13,447.84</b>	<b>12,138.56</b>

### 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.

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.76% to 2.53%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	201.28	301.28
Impairment loss recognised	97.02	-
Impairment loss reversed	-	(100.00)
<b>Balance at the end</b>	<b>298.30</b>	<b>201.28</b>

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### 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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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-days 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-days 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 undiscounted contractual maturities (including interest payments where applicable) as summarised below:

#### Maturities of financial liabilities

As at 31 March 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	5,314.90	543.41	-	5,858.31
Lease liabilities	68.80	71.11	-	139.91
Trade payables	3,643.94	-	-	3,643.94
Other financial liabilities	3,000.91	8.11	-	3,009.02
<b>Total</b>	<b>12,028.55</b>	<b>622.63</b>	<b>-</b>	<b>12,651.18</b>

As at 31 March 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,908.24	1,130.14	-	10,038.38
Lease liabilities	71.54	91.65	-	163.19
Trade payables	5,218.45	-	-	5,218.45
Other financial liabilities	1,278.84	16.40	-	1,295.24
<b>Total</b>	<b>15,477.07</b>	<b>1,238.19</b>	<b>-</b>	<b>16,715.26</b>

### (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 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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 2024		As at 31 March 2023	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	2.51	208.99	2.67	219.35
	GBP	0.11	11.59	0.08	7.94
	EURO	0.45	40.47	-	-
EEFC balances	USD	0.01	0.98	-	-
<b>Financial liabilities</b>					
Trade payables	USD	12.04	1,003.04	9.22	758.07
	JPY	-	-	35.00	22.03
	EURO	0.55	49.27	1.18	104.89

### 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 2024	Decrease 31 March 2024	Increase 31 March 2023	Decrease 31 March 2023
<b>Sensitivity</b>				
INR/USD	(7.93)	7.93	(5.39)	5.39
INR/EURO	(0.09)	0.09	(1.05)	1.05
INR/JPY	-	-	(0.22)	0.22
INR/GBP	0.12	(0.12)	0.08	(0.08)

### Interest rate risk

#### Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2024	As at 31 March 2023
Variable rate borrowing	5,764.48	9,823.75
Fixed rate borrowing	-	-
<b>Total borrowings</b>	<b>5,764.48</b>	<b>9,823.75</b>
Amount disclosed under borrowings	5,764.48	9,823.75

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2024	31 March 2023
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points (100 bps)	57.64	98.24
Interest rates – decrease by 100 basis points (100 bps)	(57.64)	(98.24)
<b>Impact on Equity</b>		
increase by 100 basis points (100 bps)	40.86	69.63
decrease by 100 basis points (100 bps)	(40.86)	(69.63)

## Note 45 - Related party disclosures

Nature of relationship	Name of related parties
<b>I Subsidiary Companies</b>	Coretec Engineering India Private Limited Grotek Enterprises Private Limited Kolben Hydraulics Limited
<b>II Associate companies</b>	Sai India Limited Bourton Consulting (India) Private Limited AEPL Grotek Renewable Energy Private Limited
<b>III Key Management Personnel (KMP)</b>	
Managing Director	C P Rangachar
Whole Time Director	Yoshitake Tanaka
Chief Financial Officer	H M Narasinga Rao
Chief Executive Officer	A. Venkata Krishnan
Company Secretary	P. Vignesh (Resigned w.e.f 13.01.2024)
Company Secretary	Suchithra R (Appointed w.e.f 06.12.2023)
Company Secretary	Vinayak Hegde (Resigned w.e.f 13.12.2022)
Executive Director	K. GopalKrishna
Non Executive Directors:	N S Mohanram (Resigned w.e.f 02.09.2022)

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of relationship	Name of related parties
	Premchander Indra Prem Menon R Srinivasan Kenichi Takaku (Resigned w.e.f 09.08.2022) Vidya Rangachar Hidemi Yasuki Hideharu Nagahisa Tadimalla Parabrahman Kaleginanaoor Chandrashekhar Sharma
<b>IV Relatives of KMP</b>	Madhuri Rangachar
<b>V Entity having significant influence</b>	Yuken Kogyo Co Limited
<b>VI Entities controlled by significant shareholder</b>	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Shanghai) Company Ltd. Yuken Taiwan Co. Ltd. Yuken Sea Co Limited Yukken North America Corporation Yuken Hydraulics (Zhangjiangang) Co. Ltd Yuken Service Co., Ltd Yuken Kogyo (Hong Kong) Co. Ltd Yuken (Foshan) Trading Co. Ltd. Toyo Hydro Elevator Co. Ltd. Hokuriku Yuken Co. Ltd
<b>VII Parties in which key management personnel or their relatives have significant influence</b>	Al Khor Pumps & Hydraulic Machines TR. (LLC) (Ceased w.e.f 31.03.2023) Benefic Investment and Finance Company (Private) Limited
<b>VIII Other related parties</b>	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### IX Details of related parties transactions for the year ended 31 March 2024 and 31 March 2023 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
<b>Purchase of Property, plant and equipment</b>			
Coretec Engineering India Private Limited	Subsidiary	23.21	10.57
Kolben Hydraulics Limited	Subsidiary	0.03	-
Grotek Enterprises Private Limited	Subsidiary	57.28	138.14
<b>Purchase of goods and services received</b>			
Coretec Engineering India Private Limited	Subsidiary	5,498.64	4,039.48
Yuken Kogyo Co Limited	Entity having significant influence	1,606.60	1,943.72
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	715.54	782.27
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	240.19	-
Sai India Limited	Associate	0.60	7.03
Kolben Hydraulics Limited	Subsidiary	209.61	238.70
Bourton Consulting (India) Private Limited	Associate	15.65	14.28
Grotek Enterprises Private Limited	Subsidiary	3,320.63	2,262.25
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	0.55
<b>Brand fees paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	124.84	117.53
<b>Sale of goods and services</b>			
Coretec Engineering India Private Limited	Subsidiary	7.92	69.83
Yuken Kogyo Co Limited	Entity having significant influence	85.53	9.16
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	0.59	2.44
Yuken Europe Limited	Entity controlled by significant shareholder	27.45	100.01
Yuken Korea Co Ltd	Entity controlled by significant shareholder	9.75	-
Yuken Sea Co Limited	Entity controlled by significant shareholder	16.72	22.56
Yuken Kogyo (Shanghai) Company Ltd.	Entity controlled by significant shareholder	-	21.81
Yukken North America Corporation	Entity controlled by significant shareholder	0.37	-
Kolben Hydraulics Ltd	Subsidiary	800.46	752.68
Sai India Limited	Associate	2.04	4.38
Grotek Enterprises Private Limited	Subsidiary	25.47	4.85

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
Al Khor Pumps & Hydraulic Machines TR. (LLC) (ceased w.e.f 31.03.2023)	Parties in which KMP or their relatives have significant influence	-	-
<b>Sale of Scrap</b>			
Coretec Engineering India Private Limited	Subsidiary	0.19	1.72
Grotek Enterprises Private Limited	Subsidiary	144.19	131.48
Rent received			
Grotek Enterprises Private Limited	Subsidiary	66.73	56.27
Kolben Hydraulics Ltd	Subsidiary	1.70	1.70
<b>Dividend paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	46.40	30.41
C P Rangachar	KMP	0.67	0.61
Vidya Rangachar	KMP	0.13	0.12
Madhuri Rangachar	Relative of KMP	0.06	0.06
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their relatives have significant influence	11.13	10.02
<b>Interest Income</b>			
Grotek Enterprises Private Limited	Subsidiary	2.32	2.48
<b>Trade discount received</b>			
Grotek Enterprises Private Limited	Subsidiary	187.14	-
Guarantee Commission Income			
Coretec Engineering India Private Limited	Subsidiary	30.21	24.20
Grotek Enterprises Private Limited	Subsidiary	29.03	22.46
<b>Guarantees given</b>			
Grotek Enterprises Private Limited	Subsidiary	-	306.00
Kolben Hydraulics Ltd	Subsidiary	200.00	-
<b>Loans or Advances provided</b>			
K. GopalKrishna	KMP	-	-
<b>Remuneration and short term benefits (including commission)</b>			
C P Rangachar	KMP	113.62	99.53
H M Narasinga Rao	KMP	83.03	62.18
Vinayak Hegde	KMP	-	8.51
Vignesh P	KMP	8.45	1.28
Suchithra R	KMP	2.75	-
K. GopalKrishna	KMP	93.08	69.81
A. Venkata Krishnan	KMP	48.66	47.44
Yoshitake Tanaka	KMP	50.06	36.05

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
Premchander	KMP	2.84	2.32
Indra Prem menon	KMP	2.84	2.32
Vidya Rangachar	KMP	2.84	2.32
R Srinivasan	KMP	2.84	2.32
Hidemi Yasuki	KMP	2.84	2.32
Parabrahman Tadimalla	KMP	2.84	-
Kaleginanaoor Chandrashekhar Sharma	KMP	2.84	-
Hideharu Nagahisa	KMP	2.84	2.32
<b>Director's Sitting fee</b>			
N S Mohanram	KMP	-	1.20
Premchander	KMP	3.00	2.60
Indra Prem menon	KMP	2.20	2.00
Vidya Rangachar	KMP	1.40	0.80
R Srinivasan	KMP	3.20	2.60
Kenichi Takaku	KMP	-	0.40
Hidemi Yasuki	KMP	1.40	0.80
Hideharu Nagahisa	KMP	1.20	0.80
Parabrahman Tadimalla	KMP	0.40	-
Kaleginanaoor Chandrashekhar Sharma	KMP	0.40	-
<b>Payment towards expenses</b>			
Vidya Rangachar	KMP	1.80	1.80
<b>Reimbursement of expense(net)</b>			
Yuken Kogyo Co Limited	Entity having significant influence	11.46	2.36
Grotek Enterprises Private Limited	Subsidiary	1.31	20.12
Coretec Engineering India Private Limited	Subsidiary	2.59	-
Kolben Hydraulics Ltd	Subsidiary	3.07	6.74
<b>Contribution to post employment benefit plans</b>			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	100.01	100.01
Yuken India Employees Superannuation Fund	Post -employment benefit plan	43.75	38.49



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### X Details of amounts outstanding from related parties as at 31 March 2024 and 31 March 2023 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2024	As at 31 March 2023
<b>Advance towards purchase of goods and services</b>			
Coretec Engineering India Private Limited	Subsidiary	2,015.25	1,843.19
Grotek Enterprises Private Limited	Subsidiary	2,087.65	1,893.28
Advance from customers			
Coretec Engineering India Private Limited	Subsidiary	-	0.02
<b>Trade Receivables</b>			
Coretec Engineering India Private Limited	Subsidiary	6.90	0.24
Yuken Kogyo Co Limited	Entity having significant influence	34.07	0.82
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	-	-
Yuken Europe Limited	Entity controlled by significant shareholder	11.59	7.94
Yuken Sea Co Limited	Entity controlled by significant shareholder	-	11.54
Grotek Enterprises Private Limited	Subsidiary	1.62	14.91
Sai India Limited	Associate	21.69	24.65
Kolben Hydraulics Ltd	Subsidiary	432.85	652.84
Al Khor Pumps & Hydraulic Machines TR. (LLC) (ceased w.e.f 31.03.2023)	Parties in which KMP or their relatives have significant influence	126.29	176.89
<b>Rent Receivable</b>			
Grotek Enterprises Private Limited	Subsidiary	5.13	22.41
Kolben Hydraulics Ltd	Subsidiary	-	-
Loans or Advances receivable			
K. Gopalkrishna	KMP	39.00	51.00
<b>Trade Payables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	779.08	639.40
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	128.74	101.18
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	94.42	-
Al Khor Pumps & Hydraulic Machines TR. (LLC) (ceased w.e.f 31.03.2023)	Parties in which KMP or their relatives have significant influence	-	0.12
Kolben Hydraulics Ltd	Subsidiary	-	19.62
Sai India Limited	Associate	0.60	-
Bourton Consulting (India) Private Limited	Associate	1.64	1.29
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	0.55
Coretec Engineering India Private Limited	Subsidiary	-	102.83
Grotek Enterprises Private Limited	Subsidiary	-	14.92

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2024	As at 31 March 2023
<b>Capital Payables</b>			
Grotek Enterprises Private Limited	Subsidiary	-	1.68
<b>Remuneration payable</b>			
C P Rangachar	KMP	20.60	5.80
H M Narasinga Rao	KMP	3.34	21.65
Yoshitake Tanaka	KMP	4.15	4.15
Vinayak Hegde	KMP	-	-
P Vignesh	KMP	-	0.83
Suchithra R	KMP	0.64	-
K. Gopalkrishna	KMP	3.75	23.53
A. Venkatakrishnan	KMP	2.88	12.71
<b>Guarantees outstanding</b>			
Coretec Engineering India Private Limited	Subsidiary	1,850.00	1,850.00
Grotek Enterprises Private Limited	Subsidiary	2,600.00	2,600.00
Kolben Hydraulics Ltd	Subsidiary	200.00	-

### Note:

Related Party transactions were made on terms equivalent to those that prevail in arm's length transactions.

## Note 46 - 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	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of products</b>			
Finished goods	At point in time	36,282.99	31,514.44
Sale of residential units	At point in time	-	9,636.26
<b>Other operating revenue</b>			
Training and other services rendered	Over a period of time	108.91	83.14
Duty drawback	At point in time	5.02	10.45
<b>Sale of products comprises :</b>			
<b>Manufactured goods</b>			
Hydraulic pumps, valves,etc		20,876.25	17,352.87
Hydraulic systems		13,490.61	12,180.00
		<b>34,366.86</b>	<b>29,532.87</b>
<b>Traded goods</b>			
Other Items		1,916.12	1,981.57
		<b>1,916.12</b>	<b>1,981.57</b>
		<b>36,282.98</b>	<b>31,514.44</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### ii) Contract balances

	As at 31 March 2024	As at 31 March 2023
Trade receivables	10,755.69	10,350.74
Contract liabilities – Revenue received in advance	828.71	214.35

Trade Receivables- The credit period on sale of goods ranges from 45 to 120 days with or without security (dealer deposits).

### 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.

## Note 47 - 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 2024	Year ended 31 March 2023
<b>Revenues from external customers for each product or each group of similar products</b>		
Sale of products	36,282.99	31,514.44
	<b>36,282.99</b>	<b>31,514.44</b>
<b>Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues</b>		
India	35,982.27	31,175.60
Outside India	300.72	338.84
	<b>36,282.99</b>	<b>31,514.44</b>
<b>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</b>		
India	15,878.09	13,553.30
Outside India	-	-
	<b>15,878.09</b>	<b>13,553.30</b>

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

No single customer contributes 10 percent or more of the Company's total revenue for the years ended 31 March 2024 and 31 March 2023.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 48 - Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

	As at 31 March 2024	As at 31 March 2023
Within one year	68.80	71.54
After one year but not more than five years	71.11	91.65
	<b>139.91</b>	<b>163.19</b>

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Amount recognised in Statement of Profit and Loss</b>		
Depreciation on right of use assets	68.99	53.98
Interest on lease liabilities	13.58	11.77
Expenses relating to short term leases	229.41	190.48
<b>Amount recognised in Statement of Cash Flow</b>		
Total cash outflow for leases - principal	79.25	54.30
Total cash outflow for leases - interest	13.58	11.77

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.

### Note 49 - Ratio analysis

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.75	1.32	33%	Repayment of borrowings, increase in operations and issue of shares has led to the increase in Current ratio.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.21	0.49	-58%	Repayment of borrowings and issue of shares has led to the decrease in Debt-Equity ratio.
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Depreciation and other amortisations + Interest	Debt service = Interest & Lease Payments + Principal Repayments	3.40	2.26	50%	Decline in repayment of borrowings from previous year and increase in operations has led to an increase in the Debt Service Coverage ratio.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 49 - Ratio analysis (contd.)

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Reason for variance
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.06	0.04	61%	Increase in operations of the Company has lead to an increase in Return on equity ratio.
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	3.32	3.16	5%	NA
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.44	3.04	13%	NA
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.83	3.80	27%	Using RXIL platform for early settlement of payables has lead to a timely settlement of payables leading to increase in Trade payable turnover ratio
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	3.62	6.12	-41%	Increase in working capital held has lead to a decline in Net Capital Turnover ratio.
Net Profit Ratio	Net Profits after taxes	Net sales = Total sales - sales return	0.04	0.02	69%	Increase in operations and cost being constant has lead to an increase in the Net profit ratio.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08	0.07	20%	NA
Return on Investment	Interest income on deposits	Fixed deposit with bank	0.06	-	100%	Fixed deposits were made during the current year.

#### Notes

- Reasons for variance has been provided for ratios that have a % change of more than 25%
- Net profits after taxes considered is after including other comprehensive income/loss
- Equity Share Capital and Other Equity has been used to derive Average Shareholder's Equity
- Average Shareholder's Equity, Average Inventory, Average Trade Receivable and Average Trade Payables for the year ended 31 March 2024 have been arrived at using the average values as at 31 March 2024 and 31 March 2023 and for 31 March 2023 have been arrived at using the average values as at 31 March 2023 and 31 March 2022.
- Ratios that are Nil or Not applicable have not been disclosed

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 50 - Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare, animal welfare, Rural development programmes, Water treatment, 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 2024	Year ended 31 March 2023
<b>Gross amount required to be spent during the year</b>	21.36	17.12
<b>Amount spent during the year</b>	17.07	18.28
<b>In cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	17.07	18.28
iii) Transferred to separate bank account	-	-
<b>Yet to be paid in cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
Shortfall at the end of the year	4.29	
Excess amount spent during the previous year	1.16	
Total of Previous years shortfall	-	
Net Shortfall	3.13	

#### Reason for Shortfall

The company did not receive adequate proposals or requests for the gross CSR amount required to be spent during the year.

#### Nature of CSR Activities

The Company has incurred CSR expenses mainly towards promoting education, healthcare, Protection Of National Heritage, Art And Culture, Rural development programmes, Water treatment, setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

Relevant Financial Year	Amount identified for spending on Corporate Social Responsibility activities other than Ongoing Projects	Unspent Amount	Amount Transferred to Fund specified in Schedule VII to the Act	Due date of transfer to the specified fund	Actual date of transfer to the specified fund	Number of days of delay if any
2023-24	21.36	4.29	0.43	30/09/24	24/04/23	0

In respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act, except in respect of the following.

Financial year	Amount unspent on Corporate Social Responsibility activities other than Ongoing Projects	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
2023-24	3.14	0.43	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

### a) Details of unspent CSR amounts:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
6.40	-	6.40	-	6.40

### b) Details of excess CSR amounts spent:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
1.16	21.36	17.07	-

## Note 51 - Other statutory information

- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
- There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 52 - Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation. The impact of such reclassification/regrouping is not material to the financial statements.

### Note 53 - Management note on Audit Trail

The Ministry of Corporate Affairs (MCA) issued the Companies (Audit and Auditors) Amendment Rules, 2021 on March 24, 2021, introducing inter alia new Rules 11(e), 11(f) and 11(g) in the Companies (Audit and Auditors) Rules, 2014. The Rule 11(g) deals with reporting on the use of accounting software by a company for maintaining its books of accounts which has a feature of recording audit trail. This rule which is effective from 01 April 2023, states that every Company which uses accounting software for maintaining its books of accounts shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made to books of account along with the date when such changes were made and ensuring the audit trail cannot be disabled. The Company uses the accounting software SAP for the maintenance of its books of account. During the year ended 31 March 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes since enabling the same consumes storage space and can impact database performance significantly. Audit trail (edit log) is enabled at the application level. It has a feature of recording audit trail (edit log) facility, and the same has been operated through the year for all relevant transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

### See accompanying notes (1-53) forming part of these standalone 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

Bengaluru  
22 May 2024

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

**Dr. Premchander**

Director

DIN: 02278562

**H M Narasinga Rao**

Chief Financial Officer

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Suchithra R**

Company Secretary

ACS : 70262

**C P Rangachar**

Managing Director

DIN: 00310893



# Independent Auditor's 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 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at 31 March 2024, and 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 Group, and its associates 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 is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

4. 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 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.

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>We refer to the Holding Company's material accounting policies in Note 2 (j) and the revenue related disclosure in Note 25 and Note 46 of the consolidated financial statements. .</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>assessed the design and operating effectiveness of Holding Company's controls (including the automated controls) around revenue recognition (including rebates / discounts);</li> <li>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;</li> </ul>
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>scrutinized sales ledgers to verify completeness of sales transactions;</li> <li>on a sample basis, tested the revenue recognised including testing of completeness 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;</li> <li>scrutinized sales ledgers to verify completeness of sales transactions;</li> <li>on a sample basis, tested the revenue recognised including testing of completeness 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;</li> <li>tested the appropriateness of accruals for various rebates and discounts as at the year end</li> <li>assessed the revenue recognised with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level;</li> <li>circularized the invoice confirmation for samples of customers and reviewing the reconciling items, if any;</li> <li>tested the related disclosures made in notes to the consolidated financial statements in respect of the revenue from operations.</li> </ul>

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

6. 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. 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.
9. Those respective 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 Standalone Financial Statements

10. 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.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act 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 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 Board of Directors' 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 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 financial statements, including the disclosures, and whether the 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/ financial statements of the entities or business activities 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 financial statements, of which we are the independent auditors. For the other entities included in the 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.
12. 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.
  13. 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.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹11,646.17 lakhs as at 31 March 2024, total revenues of ₹14,571.34 lakhs and net cash outflows amounting to ₹8.00 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 ₹18.08 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-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 Requirement

16. 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 15 on separate financial statements of the subsidiaries and associates, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have 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. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to 3 subsidiaries, and 3 associates incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiaries and associates.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that :

Following are the qualifications reported by other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Yuken India Limited	L29150KA1976PLC003017	Holding Company	Clause ii (b)
2	Sai India Limited	U29120KA1989FLC010358	Associate	Clause ii (b)

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 incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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; except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- 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 read with the Companies (Indian Accounting Standards) Rules, 2015;
- 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 subsidiaries, and

associates, covered under the Act, none of the directors of the Group companies and its associate companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under Section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, and associates covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
- h) 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 and other financial information of the subsidiaries, and associates incorporated in India whose financial statements have been audited under the Act:
  - 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 38(a) to the consolidated financial statements;

- ii. The Holding Company, its subsidiaries, and associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
- 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 subsidiaries, and associates during the year ended 31 March 2024;
- iv. a. The respective Managements of the Holding Company and its subsidiaries, and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and associates respectively that, to the best of their knowledge and belief as disclosed in Note 53(1) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, and associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, and associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective Managements of the Holding Company and its subsidiaries, and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors

of such subsidiaries, and associates respectively that, to the best of their knowledge and belief, as disclosed in the Note 53(2) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, and associates from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, and associates, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the Management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company and its subsidiaries, and associates during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 (e) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As stated in Note 55 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and associate of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, its subsidiaries and its associate in respect of financial year commencing on 01 April 2023, have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and associate did not come across any instance of the audit trail feature being tampered with, other than the consequential impact of the exceptions given below

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	<p>i) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company, a subsidiary and an associate.</p> <p>(ii) The audit trail feature was not enabled for accounting software, used for maintenance of all accounting records by two of the subsidiaries.</p>

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Vijay Vikram Singh**

Partner

Membership No.: 059139

UDIN: 24059139BKEYIM7209

Bengaluru

22 May 2024

## Annexure I

### List of entities included in the Consolidated Financial Statements

Sr No	Name of the Company	Country of Incorporation	Subsidiary/Associate
1	Coretec Engineering India Private Limited	India	Subsidiary
2	Grotek Enterprises Private Limited	India	Subsidiary
3	Kolben Hydraulics Limited	India	Subsidiary
4	Bourton Consulting India Private Limited	India	Associate
5	Sai India Limited	India	Associate
6	AEPL Grotek Renewable Energy Private Limited (Associate of Grotek Enterprises Private Limited)	India	Associate



## 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 2024

### Independent Auditor's Report on the internal financial controls with reference to 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'), its associates as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to 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 Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

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

that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

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

7. Because of the inherent limitations of internal financial controls with reference to 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 and 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 2024, based on the internal financial controls with reference to 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 three subsidiary companies, which are companies covered under the Act,

whose financial statements reflect total assets of ₹11,646.17 lakhs and net assets of ₹1,489.19 lakhs as at 31 March 2024, total revenues of ₹14,571.34 lakhs and net cash outflows amounting to ₹8.00 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 ₹18.08 lakhs for the year ended 31 March 2024, in respect of three 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: 24059139BKEYIN2938

Bengaluru

22 May 2024

# Consolidated Balance Sheet as at 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	18,273.34	16,459.08
Capital work-in-progress	3A	1,974.75	1,163.97
Investment Property	3B	1,767.01	1,749.94
Goodwill	4	257.87	257.87
Other intangible assets	4	300.55	345.38
Right-of-use Assets	5	132.45	142.46
Investments accounted for using equity method	6	816.87	800.06
Financial assets			
(i) Loans	7	37.89	33.54
(ii) Other financial assets	8	92.41	92.39
Deferred tax asset (net)	41	170.98	294.19
Other non-current assets	9	501.55	556.55
		<b>24,325.67</b>	<b>21,895.43</b>
<b>Current assets</b>			
Inventories	10	8,606.34	8,538.14
Financial assets			
(i) Trade receivables	11	11,959.29	11,476.53
(ii) Cash and cash equivalents	12	1,017.56	248.21
(iii) Bank balances other than cash and cash equivalents	13	61.41	76.77
(iv) Loans	7	36.03	44.72
(v) Other financial assets	8	303.62	200.65
<b>Current tax assets (net)</b>	14	291.35	480.33
Investments held for sale	15	1.56	-
Other non-financial assets	9	1,531.93	1,128.12
		<b>23,809.09</b>	<b>22,193.47</b>
		<b>48,134.76</b>	<b>44,088.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,300.00	1,200.00
Other equity	17	26,650.58	18,731.34
		<b>27,950.58</b>	<b>19,931.34</b>
<b>Non-controlling interests</b>			
		7.31	10.37
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	804.40	1,410.52
(ii) Lease liabilities	19	62.69	81.91
(iii) Other financial liabilities	20	8.11	16.40
Provisions	21	235.62	208.95
Deferred tax liabilities (net)	41	994.38	916.29
		<b>2,105.20</b>	<b>2,634.07</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	6,888.93	10,363.52
(ii) Lease liabilities	19	60.75	61.81
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		1,786.77	3,266.13
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,918.91	4,583.27
(iv) Other financial liabilities	20	3,008.40	1,269.09
Provisions	21	525.18	480.23
Current tax liabilities (net)	24	97.46	81.86
Other current liabilities	23	1,785.27	1,407.21
		<b>18,071.67</b>	<b>21,513.12</b>
		<b>48,134.76</b>	<b>44,088.90</b>

See accompanying notes (1-55) forming part of these consolidated financial statements

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

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

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

**Vijay Vikram Singh**  
Partner  
Membership No.: 059139

**Dr. Premchander**  
Director  
DIN: 02278562

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**C P Rangachar**  
Managing Director  
DIN: 00310893

Bengaluru  
22 May 2024

**H M Narasinga Rao**  
Chief Financial Officer

**Suchithra R**  
Company Secretary  
ACS : 70262

## Consolidated Statement of Profit and Loss for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income</b>			
Revenue from operations	25	42,253.62	37,244.10
Other income	26	509.09	259.46
		<b>42,762.71</b>	<b>37,503.56</b>
<b>Expenses</b>			
Cost of materials consumed	27	18,676.00	17,235.94
Purchases of stock-in-trade	28	2,149.97	1,918.41
Changes in stock of finished goods, work-in-progress and stock-in-trade	29	(319.20)	(623.86)
Employee benefits expense	30	5,455.70	5,095.23
Finance costs	31	845.43	979.39
Depreciation and amortisation expense	32	1,464.34	1,258.29
Impairment loss on financial assets (Including reversal of impairment losses)	33	97.02	(100.00)
Other expenses	34	11,715.43	10,376.63
<b>Total expenses</b>		<b>40,084.69</b>	<b>36,140.03</b>
<b>Profit before share of profit from associates, exceptional items and tax</b>		<b>2,678.02</b>	<b>1,363.53</b>
Share of profit from associates	34	18.08	10.56
<b>Profit before exceptional item and tax</b>		<b>2,696.10</b>	<b>1,374.09</b>
Exceptional Item	35	-	238.57
<b>Profit before tax</b>		<b>2,696.10</b>	<b>1,612.66</b>
<b>Tax expense:</b>			
Current tax		697.41	216.22
Deferred tax charge		120.14	431.34
<b>Total tax expense</b>		<b>817.55</b>	<b>647.56</b>
<b>Profit after tax for the year</b>		<b>1,878.55</b>	<b>965.10</b>
Profit / (loss) attributable to owners of parent		1,881.61	956.91
Profit / (loss) attributable to non- controlling Interest		(3.06)	8.19
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit / (loss)		(73.09)	(20.71)
Tax benefit on above		24.72	2.36
<b>Other comprehensive income for the year</b>		<b>(48.37)</b>	<b>(18.35)</b>
<b>Other comprehensive income attributable to owners of parent</b>		<b>(48.37)</b>	<b>(18.35)</b>
Other comprehensive income attributable to non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>1,830.18</b>	<b>946.75</b>
Total comprehensive Income attributable to Owners of the parent		1,833.24	938.56
Total comprehensive Income attributable to non-controlling interest		(3.06)	8.19
Earnings per equity share:	36		
Basic		14.75	7.97
Diluted		14.75	7.97

See accompanying notes (1-55) 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 Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

Vijay Vikram Singh

Partner

Membership No.: 059139

Dr. Premchander

Director

DIN: 02278562

Parabrahman Tadimalla

Director

DIN: 01392252

C P Rangachar

Managing Director

DIN: 00310893

H M Narasinga Rao

Chief Financial Officer

Suchithra R

Company Secretary

ACS : 70262

Bengaluru  
22 May 2024

## Statement of Consolidated Cash Flows for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax after exceptional items (excluding share of profits from associates)</b>	<b>2,678.02</b>	<b>1,602.10</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	1,395.35	1,204.31
Depreciation on right-of-use assets	68.99	53.98
Loss on sale or on assets scrapped	7.73	1.01
Profit on sale of registered JDA units	-	(238.57)
Net unrealised exchange loss / (gain)	12.48	(27.09)
Impairment losses	97.02	(100.00)
Bad debts written off	80.29	14.02
Interest expense	845.43	979.39
Interest income	(106.28)	(12.74)
Liabilities no longer required written back	(10.84)	(1.87)
<b>Operating profit before working capital changes</b>	<b>5,068.19</b>	<b>3,474.54</b>
<b>Movements in working capital</b>		
Increase in inventories	(68.20)	(1,251.65)
(Increase) / Decrease in trade receivables	(668.90)	465.45
Decrease in loans	4.34	5.15
(Increase) / Decrease in other financial assets	(103.10)	111.65
Increase in non-financial assets	(581.70)	(260.56)
(Decrease) / Increase in trade payables	(2,151.07)	960.10
Increase / (Decrease) in other financial liabilities	1,712.35	(101.84)
(Decrease) / Increase in provisions	(1.47)	17.61
Increase in non-financial liabilities	378.06	55.30
<b>Cash generated from operations</b>	<b>3,588.50</b>	<b>3,475.75</b>
Net income tax paid (net of refunds)	(340.95)	(400.63)
<b>Net cash generated from operating activities (A)</b>	<b>3,247.55</b>	<b>3,075.12</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment.	(3,788.41)	(4,017.06)
Proceeds from sale of property, plant and equipment	55.90	14.63
Bank balance not considered as cash and cash equivalents	15.36	16.00
Interest received	60.39	13.75
Investment made during the year	-	(278.70)
Advance received on account of joint development of property	-	1,454.76
<b>Net cash used in investing activities (B)</b>	<b>(3,656.76)</b>	<b>(2,796.62)</b>

## Statement of Consolidated Cash Flows for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2024	Year ended 31 March 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares	6,290.00	-
Proceeds from long-term borrowings	-	1,254.46
Repayment of long-term borrowings	(1,079.78)	(1,328.11)
Net increase in working capital borrowings	(3,000.93)	790.84
Repayment of principal amount of Lease liability	(79.25)	(54.30)
Repayment of interest amount on Lease liability	(13.58)	(11.77)
Interest expense	(833.73)	(953.12)
Dividend paid including dividend distribution tax and unclaimed dividend	(104.17)	(95.90)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>1,178.56</b>	<b>(397.90)</b>
<b>Net increase / (Decrease) in cash and cash equivalents ( A + B + C )</b>	<b>769.35</b>	<b>(119.40)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>248.21</b>	<b>367.61</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,017.56</b>	<b>248.21</b>
<b>Cash and cash equivalents comprises :</b>		
Balances with banks		
- in current accounts	1,014.01	245.24
Cash on hand	3.55	2.97
<b>Cash and cash equivalents at the end of the year</b>	<b>1,017.56</b>	<b>248.21</b>

### See accompanying notes (1-55) 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

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

**Vijay Vikram Singh**  
Partner  
Membership No.: 059139

**Dr. Premchander**  
Director  
DIN: 02278562

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**C P Rangachar**  
Managing Director  
DIN: 00310893

Bengaluru  
22 May 2024

**H M Narasinga Rao**  
Chief Financial Officer

**Suchithra R**  
Company Secretary  
ACS : 70262

## Consolidated Statement of Changes in Equity for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
<b>As at 01 April 2022</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2023</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	10.00	100.00
<b>As at 31 March 2024</b>	<b>130.00</b>	<b>1,300.00</b>

### B. Other Equity

	Reserves and Surplus				Other items of other comprehensive income	Non controlling interest	Total
	Capital reserve	Securities Premium	Other reserves (General reserve)	Retained earnings			
<b>Balance as at 01 April 2022</b>	<b>42.41</b>	-	<b>596.08</b>	<b>17,250.29</b>	-	<b>2.18</b>	<b>17,890.96</b>
Profit for the year	-	-	-	956.91	-	8.19	<b>965.10</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(18.35)	-	<b>(18.35)</b>
Dividend	-	-	-	(96.00)	-	-	<b>(96.00)</b>
<b>Balance as at 31 March 2023</b>	<b>42.41</b>	-	<b>596.08</b>	<b>18,111.20</b>	<b>(18.35)</b>	<b>10.37</b>	<b>18,741.71</b>
Premium on issue of shares	-	6,190.00	-	-	-	-	<b>6,190.00</b>
Profit for the year	-	-	-	1,881.61	-	(3.06)	<b>1,878.55</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(48.37)	-	<b>(48.37)</b>
Dividend	-	-	-	(104.00)	-	-	<b>(104.00)</b>
<b>Balance as at 31 March 2024</b>	<b>42.41</b>	<b>6,190.00</b>	<b>596.08</b>	<b>19,888.81</b>	<b>(66.72)</b>	<b>7.31</b>	<b>26,657.89</b>

See accompanying notes (1-55) 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

Bengaluru  
22 May 2024

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

**Dr. Premchander**

Director

DIN: 02278562

**H M Narasinga Rao**

Chief Financial Officer

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Suchithra R**

Company Secretary

ACS : 70262

**C P Rangachar**

Managing Director

DIN: 00310893

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

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 has its registered office at No 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore - 560 048, India and its corporate office at PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District - 563 130, 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 BSE and NSE.

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 2024	As on 31 March 2023
Subsidiaries:			
Coretec Engineering India Private Limited	India	100.00%	100.00%
Grotek Enterprises Private Limited	India	100.00%	100.00%
Kolben Hydraulics Limited	India	95.03%	95.03%
Associates:			
Sai India Limited	India	40.00%	40.00%
AEPL Grotek Renewable Energy Private Limited	India	26.02%	26.02%
Bourton Consulting (India) Private Limited	India	29.54%	29.54%

### Note 2

#### Material accounting policy information

##### (a) Basis of consolidation

###### Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. 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



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

- 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 2024. 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:**

- 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.
- 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.
- 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**

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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, the Companies (Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI). The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 22 May 2024.

### (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 Group 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 and judgements

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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

#### **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

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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 Group'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 Group 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 material accounting policies and other explanatory information

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The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group 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 Group 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 Group 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*	3-15
Furniture and fixtures	10
Vehicles	8-10
Office equipment and Electrical installations*	5-21
Computer equipment*	3-6

The Group 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 Group to identify and depreciate significant components with different useful lives separately.

\*Based on an internal technical 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.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid

### (g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any

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The Company depreciates investment properties on a straight-line basis over the useful life of the asset as specified in the table above.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values are determined by an independent valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

### (h) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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.

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 amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortization expense.

The Group 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

### (i) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group 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.

### (i) 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 Group 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

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### **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 Group 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 Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### **Training and other service income**

Revenue from training and other service income is recognised over the period when these services using an input method to measure the progress towards complete satisfaction of the training and other services because the customer simultaneously receives and consumes the benefits provided by the Company.

### **Duty drawback**

Income from export incentives such as duty drawback is recognised on accrual basis when there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collections exists.

## **(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 Group has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Group 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 Group 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 Group 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 Group 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 Group 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.

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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 Group'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 Group 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) 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.

### **(m) 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.

### **(n) Investments in associates**

The Group'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.

### **(o) 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."

While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

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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 Group 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.

### (p) Provisions and contingencies

#### **Provisions**

A provision is recognised if, as a result of a past event, the Group 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 Group 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 Group 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.

### (q) Financial instruments

#### **Financial assets**

##### **Initial recognition and measurement**

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets except trade receivables and liabilities are measured at fair value on initial recognition. Transaction costs



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that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### **Trade Receivables-**

At initial recognition, trade receivables are measured at their transaction price (as defined in Ind AS 115) if the trade receivables do not contain a significant financing component in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with Para 63 of Ind AS 115).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk rather, it recognises impairment loss allowance based on lifetime expected credit loss ('ECL') at each reporting date, right from its initial recognition.

Expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

### **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 Group. 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 Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset,

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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 Group 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 Group 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Group 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 Group's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

### **Financial liabilities**

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### **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 Group 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 Group 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 Group. 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**

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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.

### (r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group 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 Group 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 Group 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.

### (s) 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 Group.

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 Group 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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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

### (t) 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.

### (u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacturing hydraulic pumps and power units and other business (foundry), which constitutes multiple reportable segment.

The Group 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### (v) Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as exceptional item and the same is disclosed in the profit or loss and in the notes forming part of financial statements.

### (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 Group (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 material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (x) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### (y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### (z) Other Accounting policies

#### (i) 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 contract 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 Group 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 material accounting policies and other explanatory information

for the year ended 31 March 2024

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.

### (ii) **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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

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
<b>Gross carrying amount</b>									
<b>Balance as at 01 April 2022</b>	2,487.91	4,655.79	7,991.02	610.82	266.76	749.23	824.39	32.45	17,618.37
Additions	-	<b>1,492.61</b>	2,161.93	8.43	<b>177.85</b>	<b>106.17</b>	<b>155.64</b>	-	<b>4,102.63</b>
Disposals	-	-	(20.48)	-	-	(0.94)	-	-	(21.42)
<b>Balance as at 31 March 2023</b>	2,487.91	<b>6,148.40</b>	<b>10,132.47</b>	619.25	<b>444.61</b>	<b>854.46</b>	<b>980.03</b>	<b>32.45</b>	<b>21,699.58</b>
Additions	-	755.23	1,816.45	59.06	156.03	95.96	174.31	20.19	3,077.23
Disposals	-	-	(96.51)	-	(9.79)	(0.96)	-	(1.04)	(108.30)
<b>Balance as at 31 March 2024</b>	<b>2,487.91</b>	6,903.63	11,852.41	678.31	<b>590.85</b>	<b>949.46</b>	<b>1,154.34</b>	<b>51.60</b>	<b>24,668.51</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 01 April 2022</b>	-	<b>989.12</b>	<b>2,341.16</b>	<b>127.51</b>	<b>76.44</b>	<b>356.94</b>	<b>263.41</b>	<b>18.98</b>	<b>4,173.56</b>
Depreciation for the year	-	171.48	664.96	41.46	32.38	90.03	69.83	2.57	1,072.71
Disposals	-	-	(5.38)	-	-	(0.40)	-	-	(5.78)
Balance as at 31 March 2023	-	1,160.60	3,000.74	168.97	108.82	446.57	333.24	21.55	5,240.49
Depreciation for the year	-	189.99	746.65	42.93	44.72	92.64	78.42	3.15	1,198.50
Disposals	-	-	(33.62)	-	(9.30)	(0.90)	-	-	(43.82)
<b>Balance as at 31 March 2024</b>	-	1,350.59	3,713.77	211.90	144.24	538.31	411.66	24.70	6,395.17
<b>Net carrying amount</b>									
<b>Balance as at 31 March 2023</b>	2,487.91	4,987.80	7,131.73	450.28	335.79	407.89	646.79	10.90	16,459.08
<b>Balance as at 31 March 2024</b>	<b>2,487.91</b>	<b>5,553.04</b>	<b>8,138.64</b>	<b>466.41</b>	<b>446.61</b>	<b>411.15</b>	<b>742.68</b>	<b>26.90</b>	<b>18,273.34</b>

#### Note:

(a) **Contractual obligations / Commitments**

Refer note 38 (b)

(b) **Capitalised borrowing cost**

The amount of borrowing costs capitalised during the year ended 31 March 2024 is ₹NIL (31 March 2023: ₹8.96). The rate of capitalisation is ₹NIL% (31 March 2023: 8.80%)

(c) **Property, plant and equipment pledged as security**

Details of properties pledged are as per Note 18.

(d) Title deeds of the various freehold lands held by the Company and its subsidiaries are in the name of the Company and its subsidiaries.



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3A Capital work-in-progress

	As at 31 March 2024	As at 31 March 2023
Opening balance	1,163.97	1,591.53
Add: Additions during the year	4,113.32	5,519.11
Less: Capitalised during the year	(3,302.54)	(5,946.67)
	<b>1,974.75</b>	<b>1,163.97</b>

### Capital work in progress ageing schedule

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2024</b>					
Projects in progress	1,288.01	595.88	35.72	55.14	1,974.75
	<b>1,288.01</b>	<b>595.88</b>	<b>35.72</b>	<b>55.14</b>	<b>1,974.75</b>
<b>As at 31 March 2023</b>					
Projects in progress	456.25	527.35	151.82	28.55	1,163.97
	<b>456.25</b>	<b>527.35</b>	<b>151.82</b>	<b>28.55</b>	<b>1,163.97</b>

Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan of Coretec Engineering India Private Limited and Grotek Enterprises Private Limited:

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2024</b>					
<b>(i) Projects in progress</b>					
Malur Unit Building Extension	258.15	-	-	-	258.15
Front Side Land Shed	127.54	-	-	-	127.54
Auto Pouring Machine	87.39	-	-	-	87.39
500 Kva Dg Set	35.48	-	-	-	35.48
Cooling Tower South Side & Water Storage System	35.26	-	-	-	35.26
Hws Vertical Pattern Store System	21.36	-	-	-	21.36
Others	47.47	-	-	-	47.47
	<b>612.65</b>	-	-	-	<b>612.65</b>
<b>(ii) Projects in progress</b>					
Malur Unit Building Extension	258.15	-	-	-	258.15
Auto Pouring Machine	87.39	-	-	-	87.39
Front Side Land Shed Cwip	39.34	-	-	-	39.34
Cooling Tower South Side Cwip	19.38	-	-	-	19.38
Others	23.43	-	-	-	23.43
	<b>427.69</b>	-	-	-	<b>427.69</b>

(A) There are no projects that have been suspended as on 31 March 2024 and 31 March 2023.

## Summary of material accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

### Note - 3B Investment Property

	Buildings	Total
<b>Balance as at 1 April 2022</b>	-	-
Additions	1,751.45	1,751.45
Disposals	-	-
Balance as at 31 March 2023	1,751.45	1,751.45
Additions	74.92	74.92
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>1,826.37</b>	<b>1,826.37</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 1 April 2022</b>	-	-
Depreciation for the year	1.51	1.51
Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>1.51</b>	<b>1.51</b>
Depreciation for the year	<b>57.85</b>	<b>57.85</b>
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>59.36</b>	<b>59.36</b>
<b>Net carrying amount</b>		
<b>Balance as at 31 March 2023</b>	<b>1,749.94</b>	<b>1,749.94</b>
<b>Balance as at 31 March 2024</b>	<b>1,767.01</b>	<b>1,767.01</b>

The fair value of apartments included in investment property is ₹1,655.64 (31 March 2023: ₹1,553.44) as against the cost amounting to ₹1,370.07, and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased and rental income of ₹47.79 (31 March 2023: ₹2.36) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 26).

Fair value hierarchy disclosures for investment properties have been provided in Note 44(b).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

### Note 4 - Intangible assets

	ERP software	Technical fee	Intellectual property	Goodwill	Others	Total
<b>Balance as at 01 April 2022</b>	<b>304.10</b>	<b>29.06</b>	<b>409.51</b>	<b>257.87</b>	<b>49.09</b>	<b>1,049.63</b>
Additions	56.20	-	-	-	-	56.20
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>360.30</b>	<b>29.06</b>	<b>409.51</b>	<b>257.87</b>	<b>49.09</b>	<b>1,105.83</b>
Additions	93.25	-	-	-	-	93.25
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>453.55</b>	<b>29.06</b>	<b>409.51</b>	<b>257.87</b>	<b>49.09</b>	<b>1,199.08</b>

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for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4 - Intangible assets (contd.)

	ERP software	Technical fee	Intellectual property	Goodwill	Others	Total
<b>Accumulated amortisation</b>						
<b>Balance as at 01 April 2022</b>	<b>205.41</b>	<b>4.06</b>	<b>138.91</b>	<b>-</b>	<b>24.15</b>	<b>372.53</b>
Amortisation for the year	50.21	5.00	74.84	-	-	130.05
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>255.62</b>	<b>9.06</b>	<b>213.75</b>	<b>-</b>	<b>24.15</b>	<b>502.58</b>
Amortisation for the year	58.30	4.94	74.84	-	-	138.08
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>313.92</b>	<b>14.00</b>	<b>288.59</b>	<b>-</b>	<b>24.15</b>	<b>640.66</b>
<b>Net carrying amount</b>						
<b>Balance as at 31 March 2023</b>	<b>104.68</b>	<b>20.00</b>	<b>195.76</b>	<b>257.87</b>	<b>24.94</b>	<b>603.25</b>
<b>Balance as at 31 March 2024</b>	<b>139.63</b>	<b>15.06</b>	<b>120.92</b>	<b>257.87</b>	<b>24.94</b>	<b>558.42</b>

#### Note:

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets / entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purpose.

The recoverable value of the CGU is determined on the basis of 'value in use'. The Group determined value in use using the discounted future cash flow approach. This is based on financial budgets approved by management covering a period of 3 years. Cash flow projection beyond 3 years time period are extrapolated using the estimated capitalisation rates.

The key assumptions used for the calculations are as follows:

- Discount rate: 9.75%
- Average long term growth rate: 15%
- Estimated cash flow of 3 years based on formal/ approved internal management budgets with extrapolation for the remaining period.

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at 31 March 2024, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

The allocation of goodwill to operating segments as at 31 March 2024 and 31 March 2023 is as follows:

	As at 31 March 2024	As at 31 March 2023
Foundry business	165.30	165.30
Goodwill unallocated	92.57	92.57

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for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 5 Right-of-use assets

	Servers	Laptops	Total
<b>Gross carrying amount</b>			
<b>Balance as at 01 April 2022</b>	<b>86.84</b>	<b>97.31</b>	<b>184.15</b>
Additions	-	75.71	75.71
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>86.84</b>	<b>173.02</b>	<b>259.86</b>
Additions	-	58.98	58.98
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>86.84</b>	<b>232.00</b>	<b>318.84</b>
<b>Accumulated Amortisation</b>			
<b>Balance as at 01 April 2022</b>	<b>50.67</b>	<b>12.75</b>	<b>63.42</b>
Amortisation for the year	17.37	36.61	53.98
Disposals	-	-	-
<b>Balance as at 31 March 2023</b>	<b>68.04</b>	<b>49.36</b>	<b>117.40</b>
Amortisation for the year	17.37	51.62	68.99
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>85.41</b>	<b>100.98</b>	<b>186.39</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2023</b>	<b>18.80</b>	<b>123.66</b>	<b>142.46</b>
<b>Balance as at 31 March 2024</b>	<b>1.43</b>	<b>131.02</b>	<b>132.45</b>

**Note:**

Lease liabilities: Refer note 19

### Note 6 Investments

	Face value	As at 31 March 2024		As at 31 March 2023	
		No of Shares	Amount	No of Shares	Amount
<b>Investment in associates accounted for using the equity method (Refer note 50)</b>					
Sai India Limited	10	3,60,000	549.84	3,60,000	525.65
Bourton Consulting (India) Private Limited	10	24,675	2.35	37,300	2.55
AEPL Grotek Renewable Energy Private Limited	10	28,00,000	264.68	28,00,000	271.86
<b>Extent of Investment in associates</b>					
Sai India Limited			40.00%		40.00%
Bourton Consulting (India) Private Limited (Refer note (D))			19.54%		29.54%
AEPL Grotek Renewable Energy Private Limited			26.00%		26.00%
<b>Investments measured at fair value through OCI</b>					
Hycom Engineering (India) Private Limited (Refer note (C))	10	9,41,330	94.13	9,41,330	94.13
The Shamrao Vittal Co-operative Bank Limited (Refer note (C))	10	2,000	0.50	2,000	0.50
Less : Provision for other than temporary diminution in value			(94.63)		(94.63)
			<b>816.87</b>		<b>800.06</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Notes

- |  |               |               |
|--|---------------|---------------|
| <b>(A) Aggregate value of unquoted investments</b> | <b>911.50</b> | <b>894.69</b> |
| <b>(B) Aggregate value of impairment recorded</b>  | <b>94.63</b>  | <b>94.63</b>  |
- (C)** The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.
- (D)** The Company has passed a resolution on 09 August 2023 proposing to sell its stake in Bourton Consulting (India) Private Limited. The Company has reclassified 10% of its shareholding in the Associate i.e. 12,625 shares of ₹10 each to Investment Held for Sale. (Refer note 15)

### Note 7 - Loans

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
(Unsecured, considered good)		
Loan to related parties (Refer note 47)	24.63	33.24
Loan to employees	13.06	0.10
Others	0.20	0.20
	<b>37.89</b>	<b>33.54</b>
<b>Current</b>		
(Unsecured, considered good)		
Loan to related parties (Refer note 47)	9.61	27.04
Loan to employees	26.42	17.68
	<b>36.03</b>	<b>44.72</b>

### Note 8 Other financial assets

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Security deposits	20.73	22.35
Other receivables	57.16	57.16
Balance held as margin money account	14.52	12.88
	<b>92.41</b>	<b>92.39</b>
<b>Current</b>		
Security deposits	274.71	154.78
Interest accrued on deposits	16.73	16.84
Other receivables from related parties	5.13	-
Other receivables	7.05	29.03
	<b>303.62</b>	<b>200.65</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note:

#### (a) Other receivables (Non current)

Pertains to amount receivable from Sivaguru Energy Consultants against Sale of Power Project at Athihalla. Payment is due as work of dedicated line for transmission, wheeling and banking agreement is still in process. CESCO has agreed to build the dedicated transmission line. Hence the Company is expecting the above Sale consideration to be adjusted against the energy generated by Sivaguru Energy Consultants and procured by the company.

#### (b) Other receivables (Current)

It comprises of rent receivable with respect to letting out of investment property.

#### (c) Balance held as margin money

Margin money is paid against performance guarantee provided by the bank to customers against the time period of the PO and can be encashed by the customer on non-performance of the contractual obligation. The Company cannot use the margin money until there is performance of the contractual obligation.

### Note 9 - Other assets

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Prepaid expenses	205.81	25.82
Deferred loan discounting	2.37	4.76
Capital advances	293.37	525.97
	<b>501.55</b>	<b>556.55</b>
<b>Current</b>		
Prepaid expenses	275.81	246.93
Deferred loan discounting	2.39	3.13
Advance to related parties	5.27	-
Advance to suppliers	919.94	734.64
Duty drawback receivable	5.65	8.13
Balances with government authorities	52.41	133.87
Share application money	269.00	-
Others	1.46	1.42
	<b>1,531.93</b>	<b>1,128.12</b>

**Note:** Share application money pertains to subscription of shares in AEPL Grotek Renewable Energy Private Limited by its holding company i.e Grotek Enterprises Private Limited

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 10 - Inventories

	As at 31 March 2024	As at 31 March 2023
(Lower of cost or net realisable value)		
Raw materials and components (includes goods in transit amounting to ₹Nil (31 March 2023: ₹15.93))	4,071.18	4,322.18
Work-in-progress	1,850.50	1,901.81
Finished goods (other than those acquired for trading)	2,169.59	1,883.95
Stock-in-trade	515.07	430.20
	<b>8,606.34</b>	<b>8,538.14</b>

#### Note:

- During the year ended March 31, 2024 and 2023, the Company recorded inventory at cost and had not been written down to net realisable value.
- The Company values the inventories that are aged more than two years and not used even once during these two years at nil.

### Note 11 - Trade receivables

	As at 31 March 2024	As at 31 March 2023
Considered good - unsecured	12,069.14	11,677.81
Trade receivables which have significant increase in credit risk	188.45	-
	<b>12,257.59</b>	<b>11,677.81</b>
Less: Allowances for doubtful trade receivables	298.30	201.28
	<b>11,959.29</b>	<b>11,476.53</b>

#### Trade receivables ageing schedule

	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>						
Undisputed Trade receivables - considered good	10,843.30	497.93	472.35	72.50	183.06	12,069.14
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	3.65	184.80	188.45
	<b>10,843.30</b>	<b>497.93</b>	<b>472.35</b>	<b>76.15</b>	<b>367.86</b>	<b>12,257.59</b>
<b>As at 31 March 2023</b>						
Undisputed Trade receivables - considered good	10,282.58	645.18	250.06	93.93	406.06	11,677.81
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	<b>10,282.58</b>	<b>645.18</b>	<b>250.06</b>	<b>93.93</b>	<b>406.06</b>	<b>11,677.81</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 12 - Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Cash on hand	3.55	2.97
Balances with banks		
(i) In current accounts	1,013.03	245.24
(ii) In EEFC accounts	0.98	-
	<b>1,017.56</b>	<b>248.21</b>

### Note 13 - Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
<b>In earmarked accounts</b>		
(i) Unpaid dividend accounts	6.38	6.53
(ii) Unspent CSR accounts	6.39	6.39
(iii) Balance held as margin money	48.64	63.85
	<b>61.41</b>	<b>76.77</b>

### Note 14 - Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Advance income tax (net of provision for tax)	291.35	480.33
	<b>291.35</b>	<b>480.33</b>

### Note 15 - Investments held for sale

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Bourton Consulting (India) Private Limited (Measured at fair value through profit and loss) (12,625 shares of face value ₹10 each)	1.56	-
	<b>1.56</b>	<b>-</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 16 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	1,30,00,000	1,300.00	1,20,00,000	1,200.00
	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,20,00,000</b>	<b>1,200.00</b>

#### (a) Reconciliation of the number of shares

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each, par value</b>				
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	10,00,000	100.00	-	-
<b>Balance at the end of the year</b>	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,20,00,000</b>	<b>1,200.00</b>

**Note:** As per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company has issued and allotted fully paid-up 1,000,000 equity shares of ₹10 each (at a premium of ₹619 per share) on preferential basis to Yuken Kogyo Company Limited (Promoter of the Company) on 28 June 2023.

#### (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) Aggregate number of shares issued for consideration other than cash

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each, par value</b>				
Yuken Kogyo Co. Limited	58,00,000	44.62%	48,00,000	40.00%
Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	13,91,808	11.60%
GKK Capital Markets Private Limited	8,20,000	6.31%	7,46,000	6.22%

#### (d) Aggregate number of shares issued for consideration other than cash

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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (e) Details of shareholders holding more than 5% shares

The Board of Directors, in its meeting held on 22 May 2024, proposed a final dividend of ₹1.50 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 ₹195.

### (f) Disclosure of Shareholding of Promoters

Equity shares of ₹10 each with voting rights:

Promoter Name	No. of Shares	% Of total shares	% Change during the Year
<b>As at 31 March 2024:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	11.55%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	-7.67%
3. C P Rangachar	84,400	0.65%	-7.14%
4. Vidya Rangachar	16,000	0.12%	-7.69%
5. Madhuri Rangachar	8,000	0.06%	-14.29%
	<b>73,00,208</b>	<b>56.16%</b>	<b>-25.24%</b>
<b>As at 31 March 2023:</b>			
1. Yuken Kogyo Co. Limited	48,00,000	40.00%	-
2. Benefic Investments & Finance Co. Private Limited	13,91,808	11.60%	-
3. C P Rangachar	84,400	0.70%	-
4. Vidya Rangachar	16,000	0.13%	-
5. Madhuri Rangachar	8,000	0.07%	-
	<b>63,00,208</b>	<b>52.50%</b>	<b>-</b>

### Note 17 - Other equity

	As at 31 March 2024	As at 31 March 2023
General reserve	596.08	596.08
Securities Premium	6,190.00	-
Capital reserve	42.41	42.41
Retained earnings	19,822.09	18,092.85
	<b>26,650.58</b>	<b>18,731.34</b>

#### General reserve:

General reserve represents appropriation of profits.

#### Retained earnings:

All the profits made or losses incurred by the Group are transferred to Retained earnings from the Statement of Profit and Loss.

#### Capital Reserve:

Reserves transferred when the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration payable for such acquisition.

#### Securities Premium:

The securities premium represents issue price of equity shares above its face value.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
(Secured)		
Term loans from banks	1,551.33	2,332.08
	<b>1,551.33</b>	<b>2,332.08</b>
Less: Current maturities of long-term borrowings	746.93	921.56
	<b>804.40</b>	<b>1,410.52</b>
<b>Current</b>		
(Secured)		
Loans repayable on demand from banks	5,242.00	8,141.96
Current maturities of long-term debt	746.93	921.56
(Unsecured)		
Working capital demand loans from banks	900.00	1,300.00
	<b>6,888.93</b>	<b>10,363.52</b>

#### Details of limit, repayment, rate of interest, guarantee and security

##### (a) Secured borrowings

###### (i) Term loans from banks

	As at 31 March 2024	As at 31 March 2023
<b>Mizuho Bank Limited</b>		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	2,000.00
Amount outstanding	-	277.50
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate 9.05% (31 March 2023: 9.05%)		
<b>Mizuho Bank Limited</b>		
Loan limit	2,500.00	2,500.00
Loan availed	1,974.62	1,974.62
Amount outstanding	1,038.12	1,557.18
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate 8.42% (31 March 2023: 8.40%)		
<b>HDFC Bank Limited (Coretec Engineering India Private Limited)</b>		
Loan limit	150.00	150.00
Loan availed	-	-
Amount outstanding	-	-
Repayable in 4 years with 6 months moratorium		
MCLR rates		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### (i) Term loans from banks (contd.)

	As at 31 March 2024	As at 31 March 2023
<b>Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>		
Loan limit	500.00	500.00
Loan availed	500.00	500.00
Amount outstanding	38.00	163.00
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>		
Loan limit	1,000.00	1,000.00
Loan availed	1,000.00	1,000.00
Amount outstanding	475.71	633.40
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		

#### Notes - Term Loans

- (i) Security Details for the term loan taken from Mizuho Bank Limited
- Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹4,500.
- (ii) Security Details for the term loans taken from HDFC Bank Limited (subsidiary):
- Primary : First charge on fixed assets, stock and book debts of the company.
  - Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Estate Mahadevapura.
- (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

	As at 31 March 2024	As at 31 March 2023
<b>Mizuho Bank Limited</b>		
Loan limit	3,000.00	3,000.00
Amount outstanding	2,000.00	2,800.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited</b>		
Loan limit	1,200.00	1,200.00
Amount outstanding	213.04	-
Repayable on demand		
Interest rate - MCLR rates +2.60%		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2024	As at 31 March 2023
<b>SBI</b>		
Loan limit	150.00	150.00
Amount outstanding	113.32	-
Repayable on demand		
Interest rate - MCLR rates + 2.50%		
<b>Sumitomo Mitsui Banking Corporation</b>		
Loan limit	5,000.00	5,000.00
Amount outstanding	1,700.00	3,889.07
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited (Grotek Enterprises Private Limited)</b>		
Loan limit	600.00	600.00
Amount outstanding	339.51	116.80
Repayable on demand		
Interest rate - 12.70%		
<b>Sumitomo Mitsui Banking Corporation (Grotek Enterprises Private Limited)</b>		
Loan limit	1,000.00	500.00
Amount outstanding	500.00	500.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited (Coretec Engineering India Private Limited)</b>		
Loan limit	600.00	600.00
Amount outstanding	76.00	238.00
Repayable on demand		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>		
Loan limit	600.00	600.00
Amount outstanding	300.00	300.00
Repayable on demand		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Kolben Hydraulics Limited)</b>		
Loan limit	200.00	-
Amount outstanding	200.00	-
Repayable on demand		
Interest rate - 8.90%		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### 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
- (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 ₹3,000.

#### Sumitomo Mitsui Banking Corporation (SMBC)

- (i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000.

#### 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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2024	As at 31 March 2023
Land and building (Net carrying value)	7,205.49	6,631.19
Stock	8,112.29	7,976.24
Trade receivables	11,825.54	11,281.10
Other current assets	1,812.62	880.27
Movable property, plant and equipment	10,175.44	8,940.79

### Note:

The Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Company has carried out a reconciliation between these statements filed with the books of account which resulted in material discrepancy in Q3 & Q4, which was due to overhead allocation variances.

	As at 31 March 2024	As at 31 March 2023
<b>Reconciliation of liabilities arising from Company's financing activities</b>		
Opening balance	11,774.04	11,056.85
Proceeds from long-term borrowings	-	1,254.46
Repayment of long-term borrowings	(1,079.78)	(1,328.11)
Net movement in working capital borrowings	(3,000.93)	790.84
<b>Closing balance</b>	<b>7,693.33</b>	<b>11,774.04</b>

### Note 19 - Lease liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Lease liabilities (Refer note 48)	62.69	81.91
	<b>62.69</b>	<b>81.91</b>
<b>Current</b>		
Lease liabilities (Refer note 48)	60.75	61.81
	<b>60.75</b>	<b>61.81</b>
<b>Movement in lease liabilities</b>		
Balance at the beginning of the year	143.72	122.31
Lease liability recognised during the year	58.97	75.71
Finance cost incurred during the year	13.58	11.77
Payment of lease liabilities	(92.83)	(66.07)
<b>Balance at the end of the year</b>	<b>123.44</b>	<b>143.72</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 20 - Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Uncharged guarantee commission Income	5.64	13.93
Others	2.47	2.47
	<b>8.11</b>	<b>16.40</b>
<b>Current</b>		
Trade / security deposits received	527.09	531.51
Payable to employees	663.60	540.51
Interest accrued but not due on borrowings	8.02	10.91
Unpaid dividends	6.38	6.54
Capital creditors	171.49	136.25
Interest accrued on trade payables	28.77	42.29
Other (Payables to RXIL)	1,602.06	-
Others	0.99	1.08
	<b>3,008.40</b>	<b>1,269.09</b>

#### Note: Payables to RXIL

During the current year, the Company entered into an arrangement with RXIL. Under this arrangement, the bank advances the payment to the vendor through RXIL platform at an interest rate that is lower than the market. The balance outstanding amount of ₹1,602.06 lakhs pertains to amount payable to bank as per this arrangement.

### Note 21 - Provisions

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Payable towards defined benefit obligations (Refer note 42)	235.62	208.95
	<b>235.62</b>	<b>208.95</b>
<b>Current</b>		
Provision for compensated absences (Refer note 42)	400.54	369.64
Payable towards defined benefit obligations (Refer note 42)	78.37	58.89
Provision for superannuation	46.27	51.70
	<b>525.18</b>	<b>480.23</b>

### Note 22 - Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSE) (Refer note 39)	1,786.77	3,266.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,918.91	4,583.27
	<b>5,705.68</b>	<b>7,849.40</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Trade payables ageing schedule

	Outstanding for following periods from date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>						
Dues to MSE	-	1,782.97	2.27	1.33	0.57	1,787.14
Dues to Others	349.08	3,367.64	187.96	1.53	12.33	3,918.54
	<b>349.08</b>	<b>5,150.61</b>	<b>190.23</b>	<b>2.86</b>	<b>12.90</b>	<b>5,705.68</b>
<b>As at 31 March 2023</b>						
Dues to MSE	-	3,263.52	0.99	1.30	0.32	3,266.13
Dues to Others	450.73	4,052.18	43.77	14.66	21.93	4,583.27
	<b>450.73</b>	<b>7,315.70</b>	<b>44.76</b>	<b>15.96</b>	<b>22.25</b>	<b>7,849.40</b>

### Note 23 - Other liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Statutory dues payable	220.79	354.30
Revenue received in advance	1,564.48	1,052.91
	<b>1,785.27</b>	<b>1,407.21</b>

### Note 24 Income tax liabilities

	Year ended 31 March 2024	Year ended 31 March 2023
Provision for tax ( net of advance tax)	97.46	81.86
	<b>97.46</b>	<b>81.86</b>

### Note 25 - Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of products (Refer note 46 and 47)	42,114.61	37,116.51
	<b>42,114.61</b>	<b>37,116.51</b>
<b>Other operating revenues</b>		
Training and other services rendered	133.99	117.14
Duty drawback	5.02	10.45
	<b>139.01</b>	<b>127.59</b>
	<b>42,253.62</b>	<b>37,244.10</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Reconciling the amount of revenue recognized in the statement of profit and loss with contracted price:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	42,114.61	37,116.51
<b>Adjustments:</b>		
Discounts	-	-
<b>Revenue from contracts with customers</b>	<b>42,114.61</b>	<b>37,116.51</b>

### Details of contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	11,959.29	11,476.53
Advances from customers	1,564.48	1,052.91
<b>Total</b>	<b>13,523.77</b>	<b>12,529.44</b>

### Movement in contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contract liabilities</b>		
Opening balance	1,052.91	8,213.95
Less: Revenue recognised from above/ advance forfeited	(1,052.91)	(8,213.95)
Add: Additions during the year	1,564.48	1,052.91
<b>Closing balance</b>	<b>1,564.48</b>	<b>1,052.91</b>
<b>Non-current</b>	-	-
<b>Current</b>	<b>1,564.48</b>	<b>1,052.91</b>

**Note:** There are no existing contracts that are unsatisfied or partially unsatisfied.

### Note 26 - Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income:		
- on deposits with banks	3.11	5.99
- on overdue trade receivables	64.19	90.49
- on others	103.17	6.75
Rental income	41.31	-
Liabilities/ provisions no longer required written back	10.84	1.87
Sale of scrap	60.31	58.55
Profit on sale of property, plant and equipment (net)	20.87	12.04
Miscellaneous income (Comprises of electricity tax refund)	205.29	83.77
	<b>509.09</b>	<b>259.46</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 27 - Cost of materials consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock	4,322.18	3,694.39
Add: Purchases	18,425.00	17,863.73
	<b>22,747.18</b>	<b>21,558.12</b>
Less: Closing stock	4,071.18	4,322.18
	<b>18,676.00</b>	<b>17,235.94</b>

### Note 28 - Purchases of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of traded goods	2,149.97	1,918.41
	<b>2,149.97</b>	<b>1,918.41</b>

### Note 29 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the end of the year:</b>		
Finished goods	2,169.59	1,883.95
Work-in-progress	1,850.50	1,901.81
Stock-in-trade	515.07	430.20
	<b>4,535.16</b>	<b>4,215.96</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,883.95	1,566.86
Work-in-progress	1,901.81	1,684.69
Stock-in-trade	430.20	340.55
	<b>4,215.96</b>	<b>3,592.10</b>
	<b>(319.20)</b>	<b>(623.86)</b>

### Note 30 - Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	4,628.96	4,308.79
Contribution to provident and other funds	398.37	416.56
Staff welfare expenses	428.37	369.88
	<b>5,455.70</b>	<b>5,095.23</b>

### Note 31 - Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on borrowings	800.05	906.41
Interest expenses on leases	13.58	11.77
Interest on others	31.80	61.21
	<b>845.43</b>	<b>979.39</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 32 - Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on tangible assets (Refer note 3 )	1,199.35	1,072.75
Depreciation on Investment property (Refer note 3)	57.85	1.51
Amortisation on intangible assets (Refer note 4)	138.15	130.05
Amortisation on right-of-use assets (Refer note 5)	68.99	53.98
	<b>1,464.34</b>	<b>1,258.29</b>

### Note 33 - Impairment loss on financial assets (Including reversal of impairment losses)

	Year ended 31 March 2024	Year ended 31 March 2023
Provision for doubtful trade receivables	97.02	(100.00)
	<b>97.02</b>	<b>(100.00)</b>

### Note 34 - Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	344.97	334.87
Tools consumed	436.17	316.47
Consumption of packing materials	524.80	461.89
Subcontracting	3,103.15	2,442.60
Contract Labour wages	1,299.32	1,146.51
Power and fuel	1,504.66	1,408.60
Rent including lease rentals	260.04	234.88
Repairs and maintenance - Buildings	173.38	138.28
Repairs and maintenance - Machinery	624.15	635.80
Repairs and maintenance - Others	97.72	112.49
Vehicle maintenance	59.46	54.52
Insurance	95.32	86.97
Rates and taxes	48.25	35.97
Travelling and conveyance	752.63	794.01
Freight and forwarding	679.34	586.14
Legal and professional charges	537.62	516.23
Remuneration to auditors (Refer note 37)	52.98	44.41
Bad debts written off	80.29	14.02
Loss on sale or scrapping of fixed assets	7.73	1.01
Net loss on foreign currency transactions and translations	63.73	127.99
Corporate social responsibility expenses (Refer note 52)	18.28	18.28
Miscellaneous expenses	951.44	864.69
	<b>11,715.43</b>	<b>10,376.63</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 35 - Exceptional items

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of residential flats under Joint development of property	-	9,636.26
Less: Cost of sales	-	(9,397.69)
	-	<b>238.57</b>

#### Sale of Company's share of residential units:

During the previous year, the Company fulfilled its performance obligation with respect to the sale of certain Company's share of residential units by registering the said units in the name of the unit owner due to which the control over these units were transferred to the unit owner. Accordingly the Company recorded the revenue from sale of such units in accordance with Ind AS 115. All the flats have been registered during the year and a gain to the extent of ₹238.57 has been recognized.

### Note 36 - Earnings per share

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Basic and diluted</b>		
Net profit for the year attributable to the equity shareholders	1,881.61	956.91
Weighted average number of equity shares	1,27,56,831	1,20,00,000
Par value per share	10.00	10.00
Earnings per share - Basic	14.75	7.97
Earnings per share - Diluted	14.75	7.97

### Note 37 - Remuneration to auditors comprises (excluding applicable taxes):

	As at 31 March 2024	As at 31 March 2023
For statutory audit	45.08	37.23
For taxation matters	3.33	2.35
For other services	3.36	2.71
Reimbursement of expenses	1.21	0.46
	<b>52.98</b>	<b>42.75</b>

#### Note:

The remuneration disclosed above includes remuneration paid to other auditors by the subsidiary companies.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 - Contingencies and commitments

#### (a) Contingent liabilities

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Claims against the Company not acknowledged as debts</b>		
<b>Disputed income tax liabilities</b>		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	-	4.37
(iii) AY 2012-13	10.83	10.83
(iv) AY 2014-15	18.50	-
	<b>48.43</b>	<b>34.30</b>
<b>Subsidiary</b>		
<b>Grotek Enterprises Private Limited</b>		
(i) AY 2008-09	-	0.01
(ii) AY 2018-19	-	0.10
(iii) AY 2019-20	-	0.07
(iv) AY 2020-21	-	0.07
(v) AY 2021-22	-	0.23
(vi) AY 2022-23	-	22.71
(vii) Other years	-	1.36
	-	<b>24.55</b>
<b>Subsidiary</b>		
<b>Coretec Engineering India Private Limited</b>		
(i) AY 2006-07	3.64	3.64
(ii) AY 2008-09	5.68	5.68
	<b>9.32</b>	<b>9.32</b>

#### Others

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.

#### b) Commitments

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b>		
Capital commitments	375.94	85.73
	<b>375.94</b>	<b>85.73</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Dues to micro and small 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 2024 has been made in the financial statement based on information received and available with the Group. 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 Group has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2024	As at 31 March 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,786.77	3,266.13
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	43.90	30.27
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	14.54	3.97
The amount of interest due and payable for the year	1.01	22.07
The amount of interest accrued and remaining unpaid at the end of the accounting year	30.37	48.37
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure	Nil	Nil

### Note 40 - 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 2024	As at 31 March 2023
Borrowings (Refer note 18)	7,693.33	11,774.04
Trade payables (Refer note 22)	5,705.68	7,849.40
Less: Cash and cash equivalents (Refer note 12)	(1,017.56)	(248.21)
Less: Bank balances other than cash and cash equivalents (Refer note 13)	(61.41)	(76.77)
<b>Net debt</b>	<b>12,320.04</b>	<b>19,298.46</b>
Equity	1,300.00	1,200.00
Other Equity	26,650.58	18,731.34

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2024	As at 31 March 2023
<b>Capital and net debt</b>	<b>40,270.62</b>	<b>39,229.80</b>
Gearing ratio	31%	49%

### Note 41 - Income Tax

The major components of income tax expense are:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income Tax</b>		
The major components of income tax expense are:		
<b>Current income tax:</b>		
Current tax	697.41	216.22
	<b>697.41</b>	<b>216.22</b>
<b>Deferred tax charge</b>		
Relating to the origination and reversal of temporary differences	120.14	431.34
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>817.55</b>	<b>647.56</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gains on defined benefit plans	(24.72)	(2.36)
	<b>(24.72)</b>	<b>(2.36)</b>
	<b>792.83</b>	<b>645.20</b>

### Reconciliation of deferred tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Opening balance	916.29	522.85
Tax expense/(credit) during the year recognised in Statement of Profit and Loss	102.81	395.80
Tax expense/(credit) during the year recognised in OCI	(24.72)	(2.36)
<b>Closing balance</b>	<b>994.38</b>	<b>916.29</b>

### Reconciliation of deferred tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Opening balance	294.19	243.40
Additions during the year	(5.31)	50.79
Utilized during the year against tax payment	(117.90)	-
<b>Closing balance</b>	<b>170.98</b>	<b>294.19</b>



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Reconciliation of deferred tax assets (net)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Accounting profit before tax</b>	2,696.10	1,602.10
Add/(less):- Intra group eliminations	62.56	(183.34)
<b>Accounting profit</b>	<b>2,758.66</b>	<b>1,418.76</b>
Add: Profit of subsidiaries considered separately	(662.99)	(408.08)
<b>Accounting profit before tax</b>	<b>2,095.67</b>	<b>1,010.68</b>
Tax on accounting profit at statutory income tax rate at 29.12% (31 March 2023: 27.82%)	610.26	294.31
Tax on subsidiary at lower rates	184.44	113.53
<b>Reconciling items:</b>		
(Incomes)/Expenses disallowed under Income tax Act, 1961	14.83	139.76
Change in income tax rate	8.02	(19.19)
	<b>817.55</b>	<b>528.41</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>817.55</b>	<b>647.56</b>

### Details of Items disclosed under deferred tax liabilities

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	472.51	329.27
Deferred tax liabilities	(1,466.89)	(1,245.56)
<b>Deferred tax liability, net</b>	<b>(994.38)</b>	<b>(916.29)</b>

### Details of Items disclosed under deferred tax asset

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	153.27	176.05
MAT credit entitlement	17.71	118.14
<b>Deferred tax asset, net</b>	<b>170.98</b>	<b>294.19</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

**Significant components of deferred tax asset / (liability) for the year ended 31 March 2024 are as follows :**

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(1,245.56)	(219.40)	-	-	(1,464.96)
(ii) Provision for doubtful receivables and advances	56.14	30.87	-	-	87.01
(iii) Re-measurement of defined benefit liability	158.02	1.34	24.72	-	184.08
(iv) Fair value measurement of financial asset/liability	25.11	-	-	-	25.11
(v) Lease liabilities net of lease assets	1.04	(2.97)	-	-	(1.93)
(vi) Others (Expenses)	-	121.79	-	-	121.79
(vii) Brought forward business losses/ Unabsorbed	88.96	(34.44)	-	-	54.52
<b>Deferred tax liability, net</b>	<b>(916.29)</b>	<b>(102.81)</b>	<b>24.72</b>	<b>-</b>	<b>(994.38)</b>
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(149.16)	1.84	-	-	(147.32)
(ii) Re-measurement of defined benefit liability	10.31	3.50	-	-	13.81
(iii) MAT credit entitlement	118.14	17.47	-	(117.90)	17.71
(iv) Others (Expenses)	-	5.05	-	-	5.05
(v) Brought forward business losses/ Unabsorbed depreciation carried forward	314.90	(33.17)	-	-	281.73
<b>Deferred tax asset, net</b>	<b>294.19</b>	<b>(5.31)</b>	<b>-</b>	<b>(117.90)</b>	<b>170.98</b>

**Significant components of deferred tax asset / (liability) for the year ended 31 March 2023 are as follows :**

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	(973.86)	(271.70)	-	-	(1,245.56)
(ii) Provision for doubtful receivables and advances	87.88	(31.74)	-	-	56.14
(iii) Re-measurement of defined benefit liability	160.66	(5.00)	2.36	-	158.02
(iv) Fair value measurement of financial asset/liability	25.11	-	-	-	25.11
(v) Lease liabilities net of lease assets	1.15	(0.11)	-	-	1.04

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Significant components of deferred tax asset / (liability) for the year ended 31 March 2023 are as follows : (contd.)

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/written off	Closing balance
(vi) Brought forward business losses	176.21	(87.25)	-	-	88.96
<b>Deferred tax liability, net</b>	<b>(522.85)</b>	<b>(395.80)</b>	<b>2.36</b>	<b>-</b>	<b>(916.29)</b>
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961	(121.51)	(27.65)	-	-	(149.16)
(ii) Re-measurement of defined benefit liability	18.19	(7.88)	-	-	10.31
(iii) MAT credit entitlement	31.82	86.32	-	-	118.14
(iv) Brought forward business losses/ Unabsorbed depreciation carried forward	314.90	-	-	-	314.90
<b>Deferred tax asset, net</b>	<b>243.40</b>	<b>50.79</b>	<b>-</b>	<b>-</b>	<b>294.19</b>

### Reconciliation of deferred tax assets (net)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised</b>		
Undistributed earnings	655.74	209.99
Undistributed deferred tax liabilities relating to the above temporary differences	190.95	58.42

Certain subsidiaries of the group have undistributed earnings of ₹655.74 (31 March 2023: ₹209.99) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 42

#### 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 Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Group recognised ₹265.38 (31 March 2023: ₹282.76) for provident fund contributions and ₹47.52 (31 March 2023: ₹53.26) 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.

##### 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 availability of enough cash/ cash equivalents to meet the liabilities or holding of Liquidity 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 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 material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

**f Asset liability mismatching or market risk**

The duration of the liability 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 2024	As at 31 March 2023
<b>Current service cost</b>	58.51	58.16
Interest cost	49.89	45.20
Expected return on plan assets	(30.68)	(26.17)
Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss	<b>77.72</b>	<b>77.19</b>
<b>Re-measurement on the net defined benefit liability</b>		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	63.79	17.36
Return on plan assets excluding amount recognised in net interest expense	9.29	5.73
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>73.08</b>	<b>23.09</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	117.20	69.70
Actual contributions	100.01	100.01
<b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>		
Present value of defined benefit obligations	(733.73)	(678.73)
Fair value of plan assets	419.77	410.91
<b>Net asset liability recognised in the Consolidated Balance Sheet</b>	<b>(313.96)</b>	<b>(267.82)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at the beginning of the year	678.72	627.71
Current service cost	58.51	58.15
Interest cost	49.89	45.20
Actuarial losses	63.79	17.36
Benefits paid	(117.20)	(69.70)
<b>Present value of DBO at the end of the year</b>	<b>733.71</b>	<b>678.72</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at the beginning of the year	410.91	358.75
Expected return on plan assets	30.68	26.17
Actual Group contributions	100.01	100.01
Actuarial losses	(9.29)	(5.73)
Benefits paid	(112.54)	(68.29)
<b>Plan assets at the end of the year</b>	<b>419.77</b>	<b>410.91</b>
Actual return on plan assets	21.39	20.44
<b>Composition of the plan assets is as follows:</b>		
Others- Insurer managed funds	100%	100%

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	As at 31 March 2024	As at 31 March 2023
<b>Actuarial assumptions</b>		
Discount rate	7.15% - 7.20%	7.45%
Salary escalation	4.00%	2.00% for 1-2 years and 4% thereafter
Attrition		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

### Note:

- The Group is estimated to contribute ₹211.90 (31 March 2023: ₹200.09) towards gratuity funds during the next year.
- Details of fund assets which are managed by an insurance Group have not been disclosed since the details have not been provided by them.
- 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 2024	As at 31 March 2023
<b>Impact of change in the discount rate</b>		
Impact due to decrease of 1%	(59.11)	(60.52)
Impact due to decrease of 1%	68.54	54.77
<b>Impact of change in the salary growth rate</b>		
Impact due to increase of 1%	66.54	55.74
Impact due to decrease of 1%	(58.96)	(59.89)
<b>Impact of change in the attrition rate</b>		
Impact due to increase of 50%	12.26	12.35
Impact due to decrease of 50%	(13.46)	(11.62)
<b>Impact of change in the mortality rate</b>		
Impact due to increase of 10%	0.62	0.58
Impact due to decrease of 10%	(0.63)	(0.55)

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 material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### 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 2024	As at 31 March 2023
1 year	83.32	58.89
2 - 5 years	265.40	275.03
6 - 10 years	270.68	244.23
More than 10 years	965.03	924.67

### Compensated Absences

	As at 31 March 2024	As at 31 March 2023
Charge in the Consolidated Statement of Profit and Loss	87.77	125.68
Liability as at the year end	400.54	369.64
<b>Actuarial assumptions</b>		
Discount rate	7.15% - 7.20%	7.45%
Salary escalation	4.00%	2.00% for 1-2 years and 4% thereafter
Attrition	1-2 %	1-2 %

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..

### Note - 43 Fair value measurements

The Managing Director of the Group has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Group performance and allocates resources based on hydraulic business performance and other business performance. Accordingly the segment information has been presented.

The Group has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the Group'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 (Foundry). 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2024						
	Hydraulic business	Other business	Eliminations	Unallocated	Total	As per Profit & Loss	Difference
Revenue from sale of products	42,011.70	8,543.14	(8,440.23)	-	42,114.61	42,114.61	-
Operating income	139.01	-	-	-	139.01	139.01	-
	<b>42,150.71</b>	<b>8,543.14</b>	<b>(8,440.23)</b>	<b>-</b>	<b>42,253.62</b>	<b>42,253.62</b>	<b>-</b>
Segment result before interest expense, interest income and taxes	5,631.76	811.77	(131.74)	(2,958.81)	3,352.98	3,352.98	-
Add: Interest income	170.47	-	-	-	170.47	170.47	-
Less: Finance costs	-	-	-	(845.43)	(845.43)	(845.43)	-
<b>Profit before share of profit from associates and tax</b>	<b>5,802.23</b>	<b>811.77</b>	<b>(131.74)</b>	<b>(3,804.24)</b>	<b>2,678.02</b>	<b>2,678.02</b>	<b>-</b>
Share of profit from associates	-	-	-	-	18.08	18.08	-
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,696.10</b>	<b>2,696.10</b>	<b>-</b>
Taxes	-	-	-	-	817.55	817.55	-
<b>Profit after taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,878.55</b>	<b>1,878.55</b>	<b>-</b>
Add:- Other comprehensive Income	(41.94)	(15.10)	-	(16.04)	(73.09)	(73.09)	-
Taxes	-	-	-	-	24.72	24.72	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,830.18</b>	<b>1,830.18</b>	<b>-</b>

	Year ended 31 March 2023						
	Hydraulic business	Other business	Eliminations	Unallocated	Total	As per Profit & Loss	Difference
Revenue from sale of products	36,081.47	7,439.15	(6,404.11)	-	37,116.51	37,116.51	-
Operating income	127.59	-	-	-	127.59	127.59	-
	<b>36,209.06</b>	<b>7,439.15</b>	<b>(6,404.11)</b>	<b>-</b>	<b>37,244.10</b>	<b>37,244.10</b>	<b>-</b>
Segment result before interest expense, interest income and taxes	4,740.39	473.28	(79.25)	(2,894.73)	2,239.69	2,239.69	-
Add: Interest income	103.23	-	-	-	103.23	103.23	-
Less: Finance costs	-	-	-	(979.39)	(979.39)	(979.39)	-
<b>Profit before share of profit from associates, exceptional items and tax</b>	<b>4,843.62</b>	<b>473.28</b>	<b>(79.25)</b>	<b>(3,874.12)</b>	<b>1,363.53</b>	<b>1,363.53</b>	<b>-</b>
Share of profit from associates	-	-	-	-	10.56	10.56	-
<b>Profit before exceptional item and tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,374.09</b>	<b>1,374.09</b>	<b>-</b>
Exceptional item	238.57	-	-	-	238.57	238.57	-
<b>Profit before tax</b>	<b>5,082.19</b>	<b>473.28</b>	<b>(79.25)</b>	<b>(3,874.12)</b>	<b>1,612.66</b>	<b>1,612.66</b>	<b>-</b>



## Summary of material accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2023						
	Hydraulic business	Other business	Eliminations	Unallocated	Total	As per Profit & Loss	Difference
Taxes	-	-	-	-	647.56	647.56	-
Profit after taxes	-	-	-	-	965.10	965.10	-
Add:- Other comprehensive Income	(13.83)	(0.62)	-	(6.26)	(20.71)	(20.71)	-
Taxes					2.36	2.36	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>946.75</b>	<b>946.75</b>	<b>-</b>

### Note:

Assets and liabilities used in the Group's business are not identified to any of the operating segments, as they can be used interchangeably between segments.

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenues from external customers for each product or each group of similar products		
Sale of products	42,114.61	37,116.51
	<b>42,114.61</b>	<b>37,116.51</b>
<b>Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues</b>		
India	41,435.69	36,252.39
Outside India	678.92	864.12
	<b>42,114.61</b>	<b>37,116.51</b>
<b>Non-current assets (other than financial instruments and deferred tax assets) located in the Group's country of domicile and in all foreign countries in which the Group holds assets</b>		
India	21,308.06	18,782.86
Outside India	-	-
	<b>21,308.06</b>	<b>18,782.86</b>

Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale

No single customer contributes 10 percent or more of the Group's total revenue for the years ended 31 March 2024 and 31 March 2023.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 44 - Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2024 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets:</b>				
Loans	7	39.48	-	-
Loan to employees		34.24	-	-
Loan to related parties		0.20	-	-
Others		1,017.56	-	-
Cash and cash equivalents	12	61.41	-	-
Bank balances other than cash and cash equivalents	13	-	1.56	-
Investment held for sale	15			
Other financial assets	8			
Balance held as margin money account		14.52	-	-
Security deposits		295.44	-	-
Interest accrued on deposits		16.73	-	-
Trade receivables	11	11,959.29	-	-
<b>Total</b>		<b>13,438.87</b>	<b>1.56</b>	<b>-</b>
<b>Liabilities:</b>				
Borrowings	18	7,693.33	-	-
Trade payables	22	5,705.68		
Lease Liabilities	19	123.44		
Other financial liabilities	20		-	-
Trade / security deposits received		527.09	-	-
Payable to employees		663.60	-	-
Interest accrued but not due on borrowings		8.02	-	-
Unpaid dividends		6.38	-	-
Payables on purchase of fixed assets		171.49	-	-
Interest accrued on trade payables		28.77	-	-
Others		3.46	-	-
<b>Total</b>		<b>14,931.26</b>	<b>-</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets:</b>				
Loans	7			
Loan to employees		17.78	-	-
Loan to related parties		60.28	-	-
Others		0.20	-	-
Cash and cash equivalents	12	248.21	-	-
Bank balances other than cash and cash equivalents	13	76.77	-	-
Other financial assets	8			
Balance held as margin money account		12.88	-	-
Security deposits		177.13	-	-
Interest accrued on deposits		16.84	-	-
Trade receivables	11	11,476.53	-	-
<b>Total</b>		<b>12,086.62</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>				
Borrowings	18	11,774.04	-	-
Trade payables	22	7,849.40	-	-
Lease Liabilities	19	143.72		
Other financial liabilities	20			
Trade / security deposits received		531.51	-	-
Payable to employees		540.51	-	-
Interest accrued but not due on borrowings		10.91	-	-
Unpaid dividends		6.54	-	-
Payables on purchase of fixed assets		136.25	-	-
Interest accrued on trade payables		42.29	-	-
Others		3.55	-	-
<b>Total</b>		<b>21,038.72</b>	<b>-</b>	<b>-</b>

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..

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Investment held for sale	15	-	1.56	-	1.56
Non current investments	6	-	-	-	-

As at 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Non current investments	6	-	-	-	-

### b) Description of valuation techniques used and key inputs valuation disclosures on investment properties \*

Investment Properties	Valuation technique	Rate / Sq.Ft	Hierarchy	Fair Value (in ₹)	Actual Cost (in ₹)
Apartments	Estimated fair value	7,600	Level 2	1,655.64	1,370.07

## Note 45 - 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 its 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 Group'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:

#### Assets under credit risk

	As at 31 March 2024	As at 31 March 2023
Investments	816.87	800.06
Loan to employees	39.48	17.78
Loan to related parties	34.24	60.28
Others	0.20	0.20
Cash and cash equivalents	1,017.56	248.21
Bank balances other than cash and cash equivalents	61.41	76.77
Balance held as margin money account	14.52	12.88

## Summary of material accounting policies and other explanatory information

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### Assets under credit risk (contd.)

	As at 31 March 2024	As at 31 March 2023
Security deposits	295.44	177.13
Interest accrued on deposits	16.73	16.84
Trade receivables	11959.29	11476.53
	<b>14255.74</b>	<b>12886.68</b>

### 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.

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.76% to 2.53%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	201.28	301.28
Impairment loss recognised	97.02	-
Impairment loss reversed	-	(100.00)
	<b>298.30</b>	<b>201.28</b>

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### 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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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- days 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 Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-days 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 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	6,958.41	828.75	-	7,787.16
Lease liabilities	68.80	71.11	-	139.91
Trade payables	5,705.68	-	-	5,705.68
Other financial liabilities	3,008.40	8.11	-	3,016.51
<b>Total</b>	<b>15,741.29</b>	<b>907.97</b>	<b>-</b>	<b>16,649.26</b>

As at 31 March 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	10,486.13	1,502.54	-	11,988.66
Lease liabilities	71.54	91.65	-	163.19
Trade payables	7,849.40	-	-	7,849.40
Other financial liabilities	1,269.09	16.40	-	1,285.49
<b>Total</b>	<b>19,676.16</b>	<b>1,610.58</b>	<b>-</b>	<b>21,286.74</b>

### (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 Group and unhedged foreign currency exposures.

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All amounts are in ₹ lakhs, unless otherwise stated

Included In	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	3.06	254.82	3.88	319.36
	JPY	-	-	-	-
	GBP	0.11	11.59	0.08	7.94
	EURO	1.82	164.20	0.20	18.17
EEFC balances	USD	0.01	0.98	-	-
<b>Financial liabilities</b>					
Trade payables	USD	12.17	1,014.38	9.22	758.07
	JPY	-	-	35.00	22.03
	EURO	0.92	83.40	1.18	104.89

### Sensitivity

The following table details the Group'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 2024	Decrease 31 March 2024	Increase 31 March 2023	Decrease 31 March 2023
<b>Sensitivity</b>				
INR/USD	(7.59)	7.59	(4.39)	4.39
INR/EURO	0.81	(0.81)	(0.87)	0.87
INR/JPY	-	-	-	-
INR/GBP	0.12	(0.12)	0.08	(0.08)

### Interest rate risk

#### Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

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for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	As at 31 March 2024	As at 31 March 2023
Variable rate borrowing	7,693.33	11,774.04
Fixed rate borrowing	-	-
<b>Total borrowings</b>	<b>7,693.33</b>	<b>11,774.04</b>
Amount disclosed under borrowings	7,693.33	11,774.04

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2024	31 March 2023
<b>Interest sensitivity</b>		
Interest sensitivity	76.93	117.74
Interest rates – increase by 100 basis points (100 bps)	(76.93)	(117.74)
<b>Impact in equity</b>		
Interest rates – increase by 100 basis points (100 bps)	54.53	83.45
Interest rates – decrease by 100 basis points (100 bps)	(54.53)	(83.45)

## Note 46 - 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	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of products</b>			
Finished goods	At point in time	42,114.61	37,116.51
Sale of residential units	At point in time	-	9,636.26
Other operating revenue			
Training and other services rendered	Over a period of time	133.99	117.14
Duty drawback	At point in time	5.02	10.45



## Summary of material accounting policies and other explanatory information

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### ii) Contract balances

	As at 31 March 2024	As at 31 March 2023
Trade receivables	11,959.29	11,476.53
Contract liabilities – Revenue received in advance	1,564.48	1,052.91

Trade Receivables- The credit period on sale of goods ranges from 45 to 120 days with or without security (dealer deposits)..

### iii) Performance obligation

Information about the Group's performance obligations are summarised below:

#### Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Group 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 residential units

The performance obligation is satisfied at a point in time when the obligation of transferring the control of residential units is fulfilled.

## Note 47 - Related party disclosures

Nature of relationship	Name of related parties	
<b>I Associate companies</b>	Sai India Limited	
	Bourton Consulting (India) Private Limited	
	AEPL Grotek Renewable Energy Private Limited	
<b>II Key Management Personnel (KMP)</b>		
	Managing Director	C P Rangachar
	Whole Time Director	Yoshitake Tanaka
	Chief Financial Officer	H M Narasinga Rao
	Chief Executive Officer	A. Venkata Krishnan
	Company Secretary	P. Vignesh (Resigned w.e.f 13.01.2024)
	Company Secretary	Suchithra R (Appointed w.e.f 06.12.2023)
	Company Secretary	Vinayak Hegde (Resigned w.e.f 13.12.2022)
	Executive Director	K. GopalKrishna
	Non Executive Directors:	N S Mohanram (Resigned w.e.f 02.09.2022)
		Premchander
		Indra Prem Menon
		R Srinivasan
		Kenichi Takaku (Resigned w.e.f 09.08.2022)
Vidya Rangachar		
Hidemi Yasuki		
Hideharu Nagahisa		
Tadimalla Parabrahman		
Kaleginanaoor Chandrashekhar Sharma		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of relationship		Name of related parties
III	Relatives of KMP	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 (Shanghai) Company Ltd.
		Yuken Taiwan Co. Ltd.
		Yuken Sea Co Limited
		Yukken North America Corporation
		Yuken Hydraulics (Zhangjiangang) Co. Ltd
		Yuken Service Co., Ltd
		Yuken Kogyo (Hong Kong) Co. Ltd
		Yuken (Foshan) Trading Co. Ltd.
		Toyo Hydro Elevator Co. Ltd.
		Hokuriku Yuken Co. Ltd
VI	Parties in which key management personnel or their relatives have significant influence	Al Khor Pumps & Hydraulic Machines TR. (LLC) (Ceased w.e.f 31.03.2023)
		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 2024 and 31 March 2023 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
<b>Purchase of goods and services received</b>			
Yuken Kogyo Co Limited	Entity having significant influence	1,606.60	1,943.72
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	715.54	782.27
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	240.19	-
Sai India Limited	Associate	0.60	7.03
Bourton Consulting (India) Private Limited	Associate	15.65	14.28
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	0.55
<b>Brand fees paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	124.84	117.53
<b>Sale of goods and services</b>			
Yuken Kogyo Co Limited	Entity having significant influence	85.53	9.16
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	0.59	2.44
Yuken Europe Limited	Entity controlled by significant shareholder	27.45	100.01
Yuken Korea Co Ltd	Entity controlled by significant shareholder	9.75	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
Yuken Sea Co Limited	Entity controlled by significant shareholder	16.72	22.56
Yuken Kogyo (Shangai) Company Ltd.	Entity controlled by significant shareholder	-	21.81
Yukken North America Corporation	Entity controlled by significant shareholder	0.37	-
Sai India Limited	Associate	2.04	4.38
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	-	-
<b>Dividend paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	46.40	30.41
C P Rangachar	KMP	0.67	0.61
Vidya Rangachar	KMP	0.13	0.12
Madhuri Rangachar	Relative of KMP	0.06	0.06
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their relatives have significant influence	11.13	10.02
<b>Remuneration and short term benefits including commission</b>			
C P Rangachar	KMP	113.62	99.53
H M Narasinga Rao	KMP	83.03	62.18
Vinayak Hegde	KMP	-	10.01
Vignesh P	KMP	8.45	1.28
Suchithra R	KMP	2.75	-
K. GopalKrishna	KMP	93.08	69.81
A. Venkata Krishnan	KMP	48.66	47.44
Yoshitake Tanaka	KMP	50.06	36.05
Premchander	KMP	2.84	2.32
Indra Prem menon	KMP	2.84	2.32
Vidya Rangachar	KMP	2.84	2.32
R Srinivasan	KMP	2.84	2.32
Hidemi Yasuki	KMP	2.84	2.32
Parabrahman Tadimalla	KMP	2.84	-
Kaleginanaoor Chandrashekhar Sharma	KMP	2.84	-
Hideharu Nagahisa	KMP	2.84	2.32
<b>Director's Sitting fee</b>			
N S Mohanram	KMP	-	1.20
Premchander	KMP	3.00	2.60
Indra Prem menon	KMP	2.20	2.00
Vidya Rangachar	KMP	1.40	0.80
R Srinivasan	KMP	3.20	2.60
Kenichi Takaku	KMP	-	0.40
Hidemi Yasuki	KMP	1.40	0.80
Hideharu Nagahisa	KMP	1.20	0.80
Parabrahman Tadimalla	KMP	0.40	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
Kaleginanaoor Chandrashekhar Sharma	KMP	0.40	-
Payment towards expenses			
Vidya Rangachar	KMP	1.80	1.80
<b>Reimbursement of expense(net)</b>			
Yuken Kogyo Co Limited	Entity having significant influence	11.46	2.36
<b>Contribution to post employment benefit plans</b>			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	100.01	100.01
Yuken India Employees Superannuation Fund	Post -employment benefit plan	43.75	38.49

VIII Details of related parties transactions for the year ended 31 March 2024 and 31 March 2023 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
<b>Trade Receivables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	34.07	0.82
Yuken Europe Limited	Entity controlled by significant shareholder	11.59	7.94
Yuken Sea Co Limited	Entity controlled by significant shareholder	-	11.54
Sai India Limited	Associate	21.69	24.65
Al Khor Pumps & Hydraulic Machines TR. (LLC) (ceased w.e.f 31.03.2023)	Parties in which KMP or their relatives have significant influence	126.29	176.89
<b>Loans or Advances receivable</b>			
K. Gopalkrishna	KMP	39.00	51.00
<b>Trade Payables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	779.08	639.40
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	128.74	101.18
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	94.42	-
Al Khor Pumps & Hydraulic Machines TR. (LLC) (ceased w.e.f 31.03.2023)	Parties in which KMP or their relatives have significant influence	-	0.12
Sai India Limited	Associate	0.60	-
Bourton Consulting (India) Private Limited	Associate	1.64	1.29
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	0.55
<b>Remuneration payable</b>			
C P Rangachar	KMP	20.60	5.80
H M Narasinga Rao	KMP	3.34	21.65
Yoshitake Tanaka	KMP	4.15	4.15
P Vignesh	KMP	-	0.83

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2024	Year ended 31 March 2023
Suchithra R	KMP	0.64	-
K. Gopalkrishna	KMP	3.75	23.53
A. Venkatakrishnan	KMP	2.88	12.71

### Note:

Related Party transactions were made on terms equivalent to those that prevail in arm's length transactions.

### Note 48 - Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 and its comparatives on an undiscounted basis:

	As at 31 March 2024	As at 31 March 2023
Within one year	68.80	71.54
After one year but not more than five years	71.11	91.65
	<b>139.91</b>	163.19

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Amount recognised in Statement of Profit and Loss</b>		
Depreciation on right of use assets	68.99	53.98
Interest on lease liabilities	13.58	11.77
Expenses relating to short term leases	260.04	234.88
<b>Amount recognised in Statement of Cash Flow</b>		
Total cash outflow for leases - principal	79.25	54.30
Total cash outflow for leases - interest	13.58	11.77

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.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Note 49

#### 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) for the year ended 31 March 2024

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	79%	22,342.15	421%	7,912.84	71%	(34.21)	431%	7,878.63
<b>Subsidiaries</b>								
Coretec Engineering India Private Limited, India	7%	1,888.23	-243%	(4,568.81)	7%	(3.26)	-250%	(4,572.07)
Grotek Enterprises Private Limited, India	12%	3,535.61	-103%	(1,927.50)	23%	(10.90)	-106%	(1,938.40)
Kolben Hydraulics Limited, India	2%	564.88	24%	443.04	0%	-	24%	443.04
<b>Associates (Investment as per the equity method)</b>								
Sai India Limited, India	-	-	1%	24.19	-	-	1%	24.19
Bourton Consulting (India) Private Limited, India	-	-	0%	1.07	-	-	0%	1.07
AEPL Grotek Renewable Energy Private Limited, India	-	-	0%	(7.17)	-	-	0%	(7.17)
<b>Total</b>	<b>100%</b>	<b>28,330.87</b>	<b>100%</b>	<b>1,877.66</b>	<b>100%</b>	<b>(48.37)</b>	<b>100%</b>	<b>1,829.29</b>

#### 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) for the year ended 31 March 2023

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	75%	15,014.88	552%	5,326.73	101%	(18.47)	561%	5,308.26
<b>Subsidiaries</b>								
Coretec Engineering India Private Limited, India	7%	1,471.42	-350%	(3,374.73)	-3%	0.55	-356%	(3,374.18)
Grotek Enterprises Private Limited, India	15%	2,936.65	-158%	(1,523.20)	2%	(0.43)	-161%	(1,523.63)
Kolben Hydraulics Limited, India	3%	508.58	54%	525.73	0%	-	56%	525.73

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

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
<b>Associates (Investment as per the equity method)</b>								
Sai India Limited, India	-	-	2%	17.18	-	-	2%	17.18
Bourton Consulting (India) Private Limited, India	-	-	0%	1.52	-	-	0%	1.52
AEPL Grotek Renewable Energy Private Limited, India	-	-	-1%	(8.14)	-	-	-1%	(8.14)
<b>Total</b>	<b>100%</b>	<b>19,931.53</b>	<b>100%</b>	<b>965.09</b>	<b>100%</b>	<b>(18.35)</b>	<b>100%</b>	<b>946.74</b>

### Note 50

The group also has interests in a number of individually immaterial associates that are accounted for using the equity method :

Name of the Company	Original Cost of Investment	Goodwill/ (Capital Reserve)	Accumulated Profit/ (Loss) as at 31 March 2024	Carrying amount of Investment at 31 March 2024
Sai India Limited	20.00	(20.60)	529.84	549.84
Bourton Consulting (India) Private Limited	2.47	-	(0.12)	2.35
AEPL Grotek Renewable Energy Private Limited	280.00	-	(15.32)	264.68
<b>Total</b>	<b>302.47</b>	<b>(20.60)</b>	<b>514.40</b>	<b>816.87</b>

### Note 51 - Ratio analysis

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.32	1.03	28%	Repayment of borrowings, increase in operations has led to the increase in Current ratio.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.28	0.59	-53%	Repayment of borrowings, increase in net profit and issue of shares has led to the decrease in Debt-Equity ratio.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Reason for variance
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Depreciation and other amortizations + Interest	Debt service = Interest & Lease Payments + Principal Repayments	3.57	2.30	55%	Decline in outstanding borrowings, increase in operations and net profits has lead to an increase in ratio.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.08	0.05	58%	Increase in operations and net profit of the Company has lead to an increase in ratio.
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory (excl. Residential units from JDA)	2.39	2.34	2%	NA
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.59	3.18	13%	NA
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.04	2.68	13%	NA
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	7.34	54.56	-87%	Increase in operations and increase in current assets held and decrease in balance of borrowings due to repayment has lead to a decline in ratio.
Net Profit Ratio	Net Profits after taxes	Net sales = Total sales - sales return	0.04	0.03	70%	Increase in operations and cost being constant has lead to an increase in the net profits.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.10	0.07	34%	Increase in operations and net profit and decrease in balance of borrowings due to repayment has lead to an increase in ratio.
Return on investment	Interest income on deposits	Fixed deposit with bank	0.06	-	100%	Fixed deposits were made during the current year out of which interest income were received in the current year.



## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

### Notes

- Reasons for variance has been provided for ratios that have a % change of more than 25%
- Net profits after taxes considered is after including other comprehensive income/loss
- Equity Share Capital and Other Equity has been used to derive Average Shareholder's Equity
- Average Shareholder's Equity, Average Inventory, Average Trade Receivable and Average Trade Payables for the year ended 31 March 2024 have been arrived at using the average values as at 31 March 2024 and 31 March 2023 and for 31 March 2023 have been arrived at using the average values as at 31 March 2023 and 31 March 2022.
- Ratios that are Nil or Not applicable to the Group have not been disclosed

### Note 50 - Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare, animal welfare, Rural development programmes, Water treatment, 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 2024	Year ended 31 March 2023
Gross amount required to be spent during the year	21.36	17.12
Amount spent during the year	17.07	18.28
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	17.07	18.28
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	-	-
<b>Shortfall at the end of the year</b>	<b>4.29</b>	<b>-</b>
<b>Excess amount spent during the previous year</b>	<b>1.16</b>	<b>-</b>
<b>Total of Previous years shortfall</b>	<b>-</b>	<b>-</b>
<b>Net Shortfall</b>	<b>3.13</b>	<b>-</b>

#### Reason for Shortfall

The company did not receive adequate proposals or requests for the gross CSR amount required to be spent during the year.

#### Nature of CSR Activities

The Company has incurred CSR expenses mainly towards promoting education, healthcare, Protection Of National Heritage, Art And Culture, Rural development programmes, Water treatment, setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

Relevant Financial Year	Amount identified for spending on Corporate Social Responsibility activities other than Ongoing Projects	Unspent Amount	Amount Transferred to Fund specified in Schedule VII to the Act	Due date of transfer to the specified fund	Actual date of transfer to the specified fund	Number of days of delay if any
2023-24	21.36	4.29	0.43	30/09/24	24/04/23	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

In respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act, except in respect of the following.

Financial year	Amount unspent on Corporate Social Responsibility activities other than Ongoing Projects	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
2023-24	3.14	0.43	-

The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

### a) Details of unspent CSR amounts:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
6.40	-	6.40	-	6.40

### b) Details of excess CSR amounts spent:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
1.16	21.36	17.07	-

## Note 53 - Other statutory information

- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
- There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2024

All amounts are in ₹ lakhs, unless otherwise stated

7. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
8. The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
9. No charges or satisfaction yet to be registered with ROC beyond the statutory period.
10. No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### Note 54 - Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation. The impact of such reclassification/regrouping is not material to the financial statements.

### Note 55 Management note on audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 01 April 2023.

The Holding Company, its subsidiary and associate use accounting software which has a feature of recording audit trail (edit log) facility, and the same has been operated throughout the year for all relevant transactions recorded in the software. However, the audit trail (edit logs) feature for any changes made directly at the database level was not enabled for the accounting software by Holding Company, a subsidiary and an associate.

Further, the edit log feature is not enabled for accounting software used by two subsidiaries for maintaining its books of account.

### See accompanying notes (1-55) forming part of these consolidated financial statements

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

**For Walker Chandio & Co LLP**  
Chartered Accountants

Firm Registration No.: 001076N/N500013

**Vijay Vikram Singh**

Partner

Membership No.: 059139

Bengaluru

22 May 2024

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

**Dr. Premchander**

Director

DIN: 02278562

**H M Narasinga Rao**

Chief Financial Officer

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Suchithra R**

Company Secretary

ACS : 70262

**C P Rangachar**

Managing Director

DIN: 00310893

# YUKEN INDIA LIMITED

**CIN: L29150KA1976PLC003017**

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

E mail Id: suchithra.r@yukenindia.com. Contact No.+91 97316 10341

Website: www.yukenindia.com.

## E COMMUNICATION REGISTRATION FORM

To,

**KFIN TECHNOLOGIES LIMITED**

**UNIT: YUKEN INDIA LIMITED**

Kary 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=50YGarI49U-14qW1r929neOqM593jO9MhQvF7NJUc\\_xUOVhES0xiUFDIMEhXQTVVTTfZRVICT09VTC4u](https://forms.office.com/Pages/ResponsePage.aspx?id=50YGarI49U-14qW1r929neOqM593jO9MhQvF7NJUc_xUOVhES0xiUFDIMEhXQTVVTTfZRVICT09VTC4u)

<b>Folio No./ DP Id &amp; Client Id No.</b>	
<b>Name of 1<sup>st</sup> Registered Holder</b>	
<b>Name of Joint Holder(s), If Any</b>	
<b>Registered Address of the Sole/ 1<sup>st</sup> Registered Holder</b>	
<b>No. of Shares Held</b>	
<b>E-Mail Id (to be registered)</b>	

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 Limited informed as and when there is any change in the E-Mail address.







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*If undelivered please return to*

**Yuken India Limited**

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