

BOARD OF DIRECTORS

Mr OSAMU TANAKA – Chairman

Mr Y MUKAIDE

Mr R SRINIVASAN

CAPT. N S MOHANRAM

Dr. PREMCHANDER

Mr C P RANGACHAR - Managing Director

CFO & COMPLIANCE OFFICER

Mr H M NARASINGA RAO

BANKERS

1. STATE BANK OF INDIA.

2. BANK OF TOKYO MITSUBISHI UFJ LTD.

3. MIZUHO BANK LTD.

AUDITORS

M/S DELOITTE HASKINS & SELLS

Chartered Accountants

REGISTERED OFFICE AND WORKS

P.B. No. 16

Whitefield Road

Whitefield, Bangalore-560 066.

Plot No.57, IDA IV Phase

Patancheru, Medak(D)

Hyderabad – 502 319

No.6/13, Industrial Area,

Kirti Nagar

New Delhi – 110 015

FOUNDRY DIVISION

No. 16-C, Doddanekundi Industrial Area,

IInd phase, Mahadevapura,

Bangalore - 560 048

SY.No. 52, Khatha No. 84/171, 85/172,

Hedegabanahalli Village,

Madivala Post, Malur Taluk,

Kolar Dist. - 569 130.

SALES OFFICES

26, Community Centre

Mayapuri, New Delhi - 110 064

Indra Prastha, # 46A, Madan Mohan

Malaviya Sarani, Ground Floor,

Kolkata - 700 020.

H-4, Ansa Indl. Premises

Co-op Society Limited

Saki Vihar Road, Sakinaka

Mumbai - 400 072.

B-80, 2nd Cross, 1st Phase

Peenya Industrial Area,

Bangalore - 560 058.

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NOTICE

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of Yuken India Limited will be held at Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bangalore-560025 on 9th September, 2014 at 11.00 AM to transact the following business:

A. ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2014, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors to hold office for a period of three years from the conclusion of this Annual General Meeting up to the conclusion of forty first Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting) and on such remuneration as shall be fixed by the Board of Directors.

For this purpose, to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of Forty First Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting, and on such remuneration as shall be fixed by the Board of Directors."

B. SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 152(6), Section 160 and all other applicable provisions of the Companies Act, 2013 ('the Act') if any, Mr. Osamu Tanaka (holding DIN: 03618881), a Non-executive Non-Independent director, who was appointed as a director of the Company not liable to retirement by rotation in the 35th Annual General Meeting of the Company held on 3rd September, 2011 be and is hereby appointed/continue as a Non-executive Non-Independent director of the Company liable to retirement by rotation and that the consent of the Company be and is hereby accorded to change the status/category/tenure of appointment of Mr. Osamu Tanaka from 'director not liable to retirement by rotation' to 'the director liable to retirement by rotation'."

5. To appoint Mr. Shiro Hattori (DIN: 06939850) as a Director to fill up the vacancy of the retiring director Mr. Y Mukaide (DIN: 02293643) who retires at this Annual General Meeting and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Shiro Hattori (DIN: 06939850) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation in the vacancy of Mr. Y Mukaide (DIN: 02293643), who retires at this Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with schedule IV to the Act, as amended from time to time, and the rules made there under read with Schedule IV to the Companies Act, 2013, Dr. Premchander (DIN: 02415558), be and is hereby appointed as a non-executive and Independent director of the Company who shall hold office for a term of five consecutive years from the conclusion of this Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with schedule IV to the Act, as amended from time to time, and the rules made there under read with Schedule IV to the Companies Act, 2013, R Srinivasan (DIN: 00043658), be and is hereby appointed as a non-executive and Independent director of the Company who shall hold office for a term of five consecutive years from the conclusion of this Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and any other applicable provisions, if any, of the Companies Act,2013("Act") and the Rules framed thereunder read with schedule IV to the Act, as amended from time to time, and the rules made there under read with Schedule IV to the Companies Act,2013, Capt.N S Mohanram (DIN 02466671),be and hereby appointed as a non-executive and Independent director of the Company who hold office for a term of five consecutive years from the conclusion of this Annual General Meeting.

9. To approve the payment of remuneration to non-executive directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e., directors other than the Managing Director and/or the Whole-time Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for a further period of five years commencing from 1st April,2014."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

REGISTERED OFFICE:

PB 16, Whitefield Road
Whitefield
Bangalore 560 066

By order of the Board

C P Rangachar
Managing Director.

Place: Bangalore

Date: Date: 29th May 2014

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her and such proxy need not be a member of the Company. The Instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 04/09/2014 to 08/09/2014 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.
4. Members are requested to intimate to the Company changes, if any, in their registered addresses at an early date.
5. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend through ECS. In case of any change in the bank particulars, kindly contact the respective depository accounts for effecting the changes.
8. Under section 205A(5) of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 205-C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of Individual amount/s which remained unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am and 1.00 pm up to the date of the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
11. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company electronically.**
12. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing the members facility to exercise their right to vote at the 38th Annual General Meeting by electronic means through e-voting services provided by Karvy Computershare Pvt. Ltd.

PROCEDURE FOR E-VOTING

1. In case of member receives an email from Karvy [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]

- (i) The said email contains your user ID and Password / PIN for e-voting. Please note that the password is an initial password.
- (ii) To use the following URL for e-voting: <https://evoting.karvy.com>
- (iii) Enter the login credentials (please refer to the user id and initial password mentioned in the email.)

User –ID	<p>For Shareholder(s)/Beneficial Owner(s) Holding Shares in Demat Form:-</p> <p>For NSDL:- 8 characters DP ID followed by 8 Digits Client ID</p> <p>For CDSL:- 16 Digits Beneficiary ID</p> <p>For Members holding shares in Physical Form:- Folio Number registered with the Company</p>
Password	Your unique password is printed on the AGM Attendance slip / via e-mail forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iv) After entering the details appropriately, click on LOGIN.
 - (v) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *,#,@ etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) You need to login again with the new credentials.
 - (vii) On successful login, system will prompt to select the "EVEN" (E-voting Event Number) Yuken India Limited (the number is provided in the email). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
 - (viii) On the voting page, you will see Resolution Description against the same and enter the number of shares as on the cut-off date (8th August, 2014) under FOR/AGAINST or alternately you may enter partially any number FOR and partially AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - (ix) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote click on "CANCEL" and accordingly modify your vote.
 - (x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xi) Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send the scanned copy (PDF format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email to scrutinizer@yukenindia.com or evoting@yukenindia.com with a copy to evoting@karvy.com.
2. In case a member receives physical copy of the notice of AGM (applicable to members whose email IDs are not registered with the Company / Depository Participant(s) are requesting physical copy)
- (i) Enter the login credential (please refer to the user id and initial password mentioned in the attendance slip of the AGM).
 - (ii) Please follow all steps from Sl.No.1 (i) to (xi) above, to cast vote.

3. The e-voting period commences on 02 September 2014 at 9.00 am and will end at 6.00 pm on 04 September 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 08, 2014, may cast their vote electronically. The e-voting module will be disabled on 04 September 2014 at 6.00 pm.

Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of <https://evoting.karvy.com>.
 - (ii) If you are already registered with Karvy Computershare Pvt. Ltd. for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.
 - (iv) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th August, 2014.
 - (v) Mr. Abhijith C, Practicing Company Secretary (Membership No. 28305) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (vi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (vii) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.yukenindia.com and on the website of Karvy Computershare Pvt. Ltd. within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
13. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, you are requested to provide your e-mail id to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time.
14. Electronic copy of the Notice of the 38th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

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

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

Item No.4

The present composition of the Board of Directors of the Company consists of three Independent Directors and three Non-Independent directors. Out of the Non-Independent Directors, two Directors namely Mr.Osamu Tanaka, Non –Executive and Non-Independent Director and Mr. C P Rangachar, Managing Director were appointed as non-retiring Directors being the Directors who are not liable to retirement by rotation at the Annual General Meeting.

Section 152 of the Companies Act, 2013 ('the New Act') which deals with composition of 'retiring' and 'non-retiring' of the Board of Directors of a company was notified by the Government on April 01,2014. In accordance with the provisions of section 152 of the new Act, out of the three Non-Independent directors on the Board of Directors of the Company, two directors will be 'retiring' directors and one director will be 'non-retiring' director. As such, it is decided that Mr.Osamu Tanaka, who was appointed as a non-retiring director in the 35th Annual General Meeting of the Company held on 2nd September, 2011 will continue and appointed as 'retiring' director of the Company so that the composition of Board of directors of the Company shall be in line with the requirements of Section 152 of the new Act.

The detailed profile of Mr. Osamu Tanaka, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in item No.4 of the Notice.

Except Mr.Osamu Tanaka, no other director, Key Managerial Personnel and relatives thereof are concerned or interested in this Resolution.

Item No.5

The Company has received a representation from Yuken Kogyo Company Limited; Japan (the parent company) to appoint Mr. Shiro Hattori as a director of the Company in place of Mr.Y Mukaide whose nomination has been withdrawn due to his retirement.

The Company has received requisite notice from a member under section 160 of the new Act, proposing the candidature of Mr. Shiro Hattori to be appointed as a retiring director in the forthcoming Annual general Meeting.

The detailed profile of Mr. Shiro Hattori, Directorship position held by him in other companies is included separately in this Notice.

Item No. 6 to 8

The Company in compliance to the requirements of clause 49 of the Listing Agreement entered into with the stock exchanges has appointed Independent Directors at various dates. Dr. Premchander, Mr. R Srinivasan and Capt. N S Mohanram are presently, the Independent Directors on the Board. As per the provisions of section 149 of the Companies Act, 2013("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term of five consecutive years on the Board of a company and is not liable to retire by rotation.

Dr. Premchander, Mr. R Srinivasan and Capt. N S Mohanram are non-executive directors of the Company, have given declarations to the Board that they meet the criteria for independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under, for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Brief profile of the Independent Directors is given below:

Item No.9

Under the Act, directors have been entrusted with new responsibilities to make their role more objective. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should commensurate with their increased role, responsibilities and duties.

Section 197 of the Act provides for payment of remuneration to the directors who are neither Managing Directors nor whole time Directors (i.e. non-executive directors) shall not exceed 1% of the net profits of the Company.

The Board of Directors of the Company have, subject to the approval of members of the Company, proposed to remunerate to the Non-executive Directors (other than Managing Director/Whole time Director) may be paid remuneration not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to non-executive directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

Save and except all the non-executive directors of the Company and their relatives, to the extent of their shareholding, if any, in the Company, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

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

Particulars	Mr.Osamu Tanaka	Mr.R Srinivasan	Capt.N S Mohanram	Dr. Premchander	Mr.Shiro Hattori
Date of Birth	03/06/1946	10/09/1941	10/04/1936	16/02/1954	20/09/1947
Date of appointment	02/09/2011	29/06/1995	30/05/2005	30/05/2005	09/09/2014
Qualifications	Bachelor's degree of Accounting from Chuo University	Graduate in Mechanical Engineering (BE Hons.)	B Tech (Hons) in Naval Architecture from IIT, Khargapur. Post. graduate in warship design (UK) MBA (Faculty of Management Studies) New Delhi.	Post Graduate in Msc Chemistry from Delhi University and Fellow, Indian Institute of Management (IIMB), Ahmedabad, PhD-Finance & Control.	Graduate in Mechanical Engineering.
Expertise	Joined Yuken Kogyo Ltd. (Y K C) in 1982. Worked as Director from 1983 to 1986 in YKC, Brasil. Finance Manager of Nihon Cylinder from 1986 to 1988, Manager Production from 1988 to 1992, General Manager-Finance from 1996 to 1999 Director, West sales Department from 1999 to 2007, Executive Director from 2007 to 2009, Senior Managing Director from 2009 to 2011, President from 2011 till date.	Managed Widia India Limited as Managing Director from 1981 to 1994 and transformed to become a market leader. Past Chairman of CII, Karnataka, Governing Council of CMTI, Bangalore. Past President of Greater Mysore Chamber of Commerce and IMTMA Founder member of TQM Division started by CII in 1987. Closely associated with IMTMA and involved in establishing Bangalore International Exhibition Centre.	In Indian Navy, he has designed a number of warships and other crafts. Developed India's indigenous major warship INS Godavari. He was Head of Divisions in Mukund Group. He is recipient of major awards such as VKRV Rao Gold Medal and Das Gupta Gold Medal for standing first in MBA. Vishist Seva Medal for designing INS Godavari from Rashtrapathi. Fellow of Indian National Academy of Engineering (INAE)	Work experience includes State Bank of India as Officer commercial and Industrial Advances, Reliance consultancy (p) Ltd. involving in organizational development, Shrishma Fine Chemicals & Pharmaceuticals Limited, in setting up of Management Systems and building the Organization. In IIMB as Associate Professor-Finance & Control.	Joined Yuken Kogyo Co. Ltd. Japan in 1966. Worked in Manufacturing Department till 1980. Worked in R & D for five years Worked in Quality Assurance Department, Production Department in various capacities for about more than 10 years and in 2013 appointed as Managing Director
Directorships held in other public Companies	NIL	ACE Designers Ltd. Kirloskar Oil Engines Ltd. Murugappa Morgan Thermal Ceramics Ltd. Nettu Technical Training Foundation TTK Prestige Ltd. TTK Healthcare Ltd. Sundaram Fasteners Ltd. Sterling Abrasives Ltd.,	NIL	NIL	NIL
Membership/ Chairmanship of committees of other public Companies	NIL	Audit Committee Chairman for Sundaram Fasteners Ltd and ACE Designers Ltd. Audit Committee member for TTK Prestige Ltd., Kirloskar Oil Engines Ltd., Remuneration Committee Member for TTK Prestige Ltd	NIL	NIL	NIL
No of shares held in the Company	NIL	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 38th annual report and the audited accounts for the financial year ended 31st March 2014.

FINANCIAL RESULTS

The Financial performance of the Company, for the year ended 31st March 2014 is summarized below.

(Rs in Lakhs)

Particulars	2013-14	2012-13
Total income	16,512	15,523
Total expenditure	15,591	14,305
Profit before interest, depreciation and tax	921	1,218
Finance cost	376	474
Depreciation	431	413
Profit before Exceptional items and tax	114	331
Exceptional Item	201	-
Profit after Exceptional item & before tax	315	331
Provision for taxation(Net of deferred tax)	61	130
Profit after tax	254	201
Balance in Statement of profit and loss	4,434	4,297
Amount available for appropriation	4,688	4,498
Appropriations:		
General reserve	13	11
Proposed dividend	45	45
Tax on proposed dividend	7	7
Balance carried to Balance Sheet	4,623	4,435
Total	4,688	4,498

REVIEW OF PERFORMANCE

During the year under review, the Company achieved a turnover of Rs.16,449/- lakhs compared to Rs.15,404/- lakhs in 2013. The operations of the Company for the year under review have resulted in a net profit of Rs.254/- lakhs.

DIVIDEND

Your Directors are pleased to recommend a dividend of 15% on the equity shares of the company for the year ended 31st March 2014, subject to the approval of the members at the ensuing annual general meeting.

INDUSTRIAL RELATIONS

Employee relations continue to be cordial. Your Directors would like to place on record their appreciation of the valuable contribution to the operations of the Company during the year.

CORPORATE GOVERNANCE

Your Company is committed to maintaining high standards of Corporate Governance. A Report on Corporate Governance along with a certificate from the statutory auditors on compliance of Corporate Governance norms is part of this Annual Report.

COMPLIANCE CERTIFICATE

A Report on Compliances along with the certificate from the Practicing Company Secretaries on compliances is part of this Annual Report.

**Information required under section 217(2A) of the Companies Act 1956 read with Companies
(Particulars of Employment) Rules, 1975**

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

Information required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employment) Rules 1975

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SI No	Name	Designation	Gross Remuneration (Rs)	Qualification	Age	Date of commencement of employment	Experience (including previous years if any)	Last employment held/ designation/ organization
- Nil -								

1. Employment throughout the year under review and were in receipt of remuneration for that year in the aggregate of not less than Rs 60,00,000 or more - Nil
 2. Annual remuneration as above includes salary, allowances and perquisites.
 3. The above appointment is contractual.
- II. Employees of the Company who were employed for part of the financial year and in receipt of remuneration at a rate, which in aggregate was not less than Rs 500,000/- pm – Nil

DIRECTORS

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment, roles, functions, duties, re-appointment of independent directors (IDs) and the relevant rules under the Companies Act, 2013 (the Act 2013) and made them effective 1st April, 2014.

In terms of the provisions of Section 149(10) read with Section 149(5) of the Act, 2013, IDs are eligible to hold office for a term upto five consecutive years on the board and eligible for re-appointment for the second term on passing special resolutions by the Company. During the period, they will not be liable to 'retire by rotation' as per the provisions of Sections 150(2), 152(2) read with schedule 1V to the Act 2013.

It is, therefore proposed to appoint them as IDs for a consecutive period of five years at the AGM. Necessary declarations have been obtained from them, as envisaged under the Act 2013. In terms of the provisions of sub-section(6) read with explanation to Section 152 of the Act 2013, two-third of the total number of directors (excluding IDs) are liable to retire by rotation and out of which, one third is liable to retire by rotation at every annual general meeting. Mr. Osamu Tanaka, director of the Company, is, therefore, liable to retire by rotation, at the ensuing AGM, and being eligible, offers himself for re-appointment.

Mr. Y Mukaide has been serving on the board since 2005. During his tenure of office, he has made distinct and immense contribution to the deliberations of the meetings of the board in general and for the growth of the company in particular. Yuken Kogyo Company Limited (YKC) withdrawn his directorship owing to his retirement. The Board does hereby record its deep sense of appreciation for the valuable services rendered by him during his tenure.

As per the direction of YKC Mr. Shiro Hattori has to be appointed as a director in his place.

Mr. V Balaji Bhat, Independent director of the Company resigned from the Board effective from 8th February, 2014. The Board does hereby record its deep sense of appreciation for the valuable services rendered by him during his tenure.

The brief resume of the directors proposed to be appointed and re-appointed and other relevant information have been furnished in the Notice convening the AGM. Appropriate resolutions for their appointment/re-appointment are being placed for approval of the members at the AGM.

The Board, therefore, recommends their appointment/re-appointment as directors of the Company.

Pursuant to section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

1. In the preparation of the accounts for the year ended 31st March 2014 the applicable accounting standards have been followed and there are no material departures from the same;
2. The accounting policies which have been selected are applied consistently, judgments and estimates that are reasonable and prudently is made so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March 2014 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The accounts for the year ended 31st March 2014 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA), which forms part of this Directors' Report, sets out an analysis of business including the industry scenario, performance, financial analysis and risk mitigation.

FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARY COMPANIES

In Accordance with the general Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance sheet, the statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company.

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

During the year under review, Your Company has the following subsidiary Companies viz (i) Coretec Engineering India Pvt Ltd, Bangalore (ii) Yuflow Engineering Pvt. Ltd, Chennai.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company recognizes the community as an important stakeholder in the business and believes in sustainability as a core parameter of its business strategy.

The Company provides opportunities to Engineering and Management Institute students to undergo in-plant training/projects as part of their academic curriculum, thus enabling them to appreciate application of theoretical knowledge and get an exposure to the industrial practices.

The Company's employees participate in blood donation camps every year and donate blood.

Employees are trained in 'First –Aid' regularly. The Company has rain water harvesting system in place in all the factory plants.

The Company's products and services have very little or marginal impact on the environment and it adheres to all related legal and statutory requirements.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Health, Safety and environment are high priority issues in your Company.

Your Company conducts annual medical check up for its employees and assists the employees who need medical attention or counseling. The employees and their dependents are covered under Health Insurance Scheme.

Awareness workshops on safety in industries are being conducted for the employees in collaboration with the Directorate of Factories and Boilers, Government of Karnataka.

With no reportable injuries during the year, we are committed to enhance occupational health and safety. Apart from personnel safety, process safety is the top priority of the Management. Well documented standards, emphasis on line management responsibility, an improved and standardized process for safety observations are helping the manufacturing sites achieve higher employee participation in the safety management.

All manufacturing locations remained fully compliant with Environmental Regulations. High emphasis was placed on the productive use of raw materials, natural resources, energy and on reducing wastes. We believe that a sustainable Organization can be built only with the highest standards of performance on economic, social and environmental parameters.

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956

Energy conservation is a consistent focus area for the Company both from a cost control and a social responsibility perspective. Energy conservation is a consistent endeavor of your Company. The power factor is regularly monitored and maintained between 0.99 and 1.00. Solar lights have been installed at Malur Plant.

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

1. Conservation of Energy:

The Company has taken several steps and also in the process of implementing several projects to conserve energy by various measures.

2. Foreign Exchange Earnings and outgo (Rs. In Lakhs)

Foreign Exchange Earnings:-

Export sales	719.66
Other Income	1.65

Expenditure in Foreign Currency

Brand fees	69.25
Royalty	4.10
Interest	0.99
Others	56.95

Remittance in foreign currency on account of:

Dividends	18.00
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3. Research and Development (R&D)

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

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

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

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

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

(c) Future plan of action:

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

(d) Expenditure on R & D

There is a continuous increase in R & D expenditure as the scope of activities carried out keeps on increasing. The exact amount spent has not been apportioned this year.

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

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

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

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

(c) Information regarding technology imported during the last five years reckoned from the beginning of the financial year.**i Technology imported – For manufacture of Chip compacting machine****ii Year of Import: 2011****iii Has technology been fully absorbed? Yes****iv If not fully absorbed, areas where this has not taken place, reasons there off and future plans of action: N/A****COST AUDITORS**

The Company has appointed M/S. K.S.Kamalakara & Co. Cost Accountants as cost auditors for conducting Cost Audit for the financial year 2013-14.

The Cost Audit Reports in XBRL mode for the financial year ended 31st March 2013 , was filed on 27th December 2013. The Cost Audit Reports for the financial year ended 31st March 2014 will be filed before the due date.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office, in accordance with the provisions of the Act till the conclusion of the ensuing annual general meeting and are eligible for re-appointment.

SECRETARIAL AUDITORS

The Company has appointed M/s.BG & Associates, Company Secretaries for the Secretarial Audit for the financial year 2014-15.

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, performances 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.

ACKNOWLEDGEMENTS

Your Directors thank the customers, auditors, vendors, banks, government, collaborators, investors and all other business associates for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by all the employees of the Company for their performance in the year under review.

For and on behalf of the Board

Place : Bangalore

C P Rangachar

CAPT. N S Mohanram

R Srinivasan

Date: 29th May 2014

Managing Director

Director

Director

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Indian Economy has undergone a tough phase in the year 2013-14. The growth was impacted by both the deteriorating global economy and various domestic issues like high interest rates, inflation, infrastructure constraints, lack of political consensus and liquidity crunch among others. Besides a fragile external account has caused depreciation of rupee in the back drop of volatile global risk sentiment. Indian GDP growth is declined to around 4.75% during the year 2013-14. The over all macro economic conditions during the year 2013-14 remained weak.

Customers are increasingly demanding innovative products and services with accelerated delivery times and at competitive prices. To adequately address these needs, Corporations are focusing on their core competencies using high technology to improve productivity, develop new products, conduct research and development activities, reduce business risk and manage operations more effectively.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The role of technology has evolved from supporting Corporations to transforming them. The ability to design, develop, implement and maintain advanced technology platform and solution to address business and customer needs has become a competitive advantage and a priority for Corporations worldwide. Concurrently, the prevalence of multiple technology platforms and a greater emphasis on network security and redundancy have increased the complexity, costs and risks associated with these technology platforms have created a growing need for specialists with experience in leveraging technology to help drive business strategy.

The Hydraulic Industry is a measure of the progress of a nation in terms of industrialization as well as social development. Obviously, extensive use of sophisticated hydraulics "correlates" with a high level of development. Inspired by Yuken, Japan our value system comprises-service to customers; deep sense of responsibility; respect for human beings; quality and frugality in all we do.

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

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

We believe our competitive strengths which include leadership in solutions that enable our customers to optimize the efficiency of their business, commitment to superior quality, long standing client relationships and competitive pricing.

Some of the key trends in the Industry that are favorable to the Company to exploit these emerging opportunities are,

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

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

THREATS:

Some of the key changes in the Industry unfavorable to the Company are,

- i) To cater to increasing customer demand with strong technology and domain knowledge, the Company will have to invest increasingly higher amounts in equipments and facilities.

- ii) Our business may suffer if we fail to anticipate and develop new products in a fixed time schedule and enhance the existing products in order to keep pace with rapid changes in technology and in the industries on which we focus. A strong engineering base is needed to accomplish this.
- iii) There is continuing concern on input cost increase, it may not be possible for the Company to pass on the cost increase through pricing.
- iv) High inventory and receivables may hamper the process of financial planning.
- v) Threat from Chinese Market

RISK IDENTIFICATION & MITIGATION

The Company assess the risks, prioritizes them and takes necessary action to mitigate the same. Identification of risks is done through focused discussions at various management levels and at the Board Meeting.

The internal control systems are designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. The internal auditors perform internal audit functions periodically to ascertain the adequacy and effectiveness of the operations and also give suggestions to improve the processes and strengthen controls of the existing processes.

FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

FINANCIAL OVERVIEW

	Rupees in Lakhs				
Year ending 31st March	2010	2011	2012	2013	2014
Sales/Other Income	11,422	14,915	17,198	15,523	16,512
Profit before tax	1,036	1,466	1,539	331	315
Profit before tax to Sales%	9.07	9.82	9.03	2.13	1.91
Profit after tax	693	980	1,036	201	254
Profit after tax to Sales%	6.07	6.57	6.08	1.29	1.54
Return on Capital Employed%	24	25	21	9	10
Return on Net worth%	21	23	20	4	5
Book value per share Rupees	112	142	174	176	184
Earnings per share Rupees	23.11	32.68	34.54	6.71	8.46
Dividend %	25	25	25	15	15

HUMAN RESOURCE MANAGEMENT

The Company continues to believe in the policy that people are its vital assets. The Company is aware of the present market condition and hence has retention policies in place by considering special packages to the employees. The Company constantly endeavors to provide a platform for individual opportunities and growth of its people across the board.

CAUTIONARY STATEMENT

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

CERTIFICATE**To the Members of Yuken India Limited**

We have examined the compliance of conditions of Corporate Governance by Yuken India Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

for Deloitte Haskins & Sells

Chartered Accountants

Registration No: 008072S

S. Ganesh

Partner

M. No. 204108

Place: Bangalore

Date : May 29, 2014

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the Organization. As stake holders across the globe evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the center stage.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its Operations, and in all its interactions with its stake holders, including share holders, employees, lenders, Government and the society at large. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company engaged in the business of manufacture of Hydraulic Products and Cast Iron Castings for a large variety of end users, the Company's principal objective is to deliver to its customers, quality products and a pro-active satisfactory services. The Company complies with the Listing Requirements of the Stock Exchanges where its shares are listed.

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

BOARD OF DIRECTORS:

At the core of our Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. We believe that an active, well informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

Composition

The Board comprises of Executive and Non-Executive Directors who are eminent persons with considerable professional experience in various fields. There is one Executive Director. Mr C P Rangachar, Managing Director and all others are Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board deliberations and decisions. During the year, the Company had a Non- Executive Chairman and more than one third of the Directors were Independent Directors.

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

Attendance of each Director at the meetings of Board of Directors during the year and at the last Annual General Meeting , the number of Directorship and Committee Membership held by them in domestic public companies as at March 31, 2014 are as indicated below:

Director	Whether Promoter/ Collaborator/ Executive/Non- Executive/ Independent/Non- Independent	Attendance particulars		* LOA	No. of outside Director ships held	No. of Board Committees of other Companies in which a member	Chairman/ Member of Board Committees of other Companies in which a member
		Board Meeting	Last AGM				
1. Mr. Y Muk aide (Ref Note -1 below)	Non-Executive & Non-Independent (Collaborator)	-	-	Yes	-	-	-
2. Mr. O. Tanaka (Chairman)	Non- Executive & Non-Independent (Collaborator)	1	1	Yes	-	-	-

Director	Whether Promoter/ Collaborator/ Executive/Non- Executive/ Independent/Non- Independent	Attendance particulars		* LOA	No. of outside Director ships held	No. of Board Committees of other Companies in which a member	Chairman/ Member of Board Committees of other Companies in which a member
		Board Meeting	Last AGM				
3. Mr. R Srinivasan	Non- Executive & Independent	5	Yes	-	13	2 3	Chairman Member
4. Mr. V Balaji Bhat - (Ref note -2 below)	Non- Executive & Independent	5	Yes	-	5	1 0	Chairman Member
5. Capt N S Mohanram	Non- Executive & Independent	4	Yes	-	-	-	-
6. Dr. Prem chander	Non- Executive & Independent	3	Yes	-	-	-	-
7. Mr. C P Rangachar- Managing Director	Executive & Member Non- Independent (Promoter Group)	5	Yes	-	5	0 1	Chairman Member

*** LOA- Leave of Absence.**

1. Stepped down as a Director with effect from 1st April 2014.
2. Stepped down as a Director with effect from 8th February 2014.

Board Meetings:

As per the Listing Agreement, the Board of Directors must meet at least four times in a year, with a maximum time gap of four months between any two meetings.

During the financial year 2013-14 our Board met five times on 18/05/2013, 27/07/2013, 18/09/2013, 26/10/2013, & 08/02/2014.

The information as required under Annexure – I A to clause 49 of the listing agreement is being regularly placed before the Board.

Board committees:

As per the Listing Agreement, no director can be a member of more than ten committees or act as Chairman of more than five committees across all Companies in which he is a director. None of the directors of our Company were members in more than ten committees nor acted as Chairman of more than five committees across all Companies in which they were directors.

Organisational changes

Dynamic challenges faced by businesses today require Companies to evolve with changing times to remain Competitive. As part of the Organizational change, the Company appointed Mr. Subramanya Ullal as CEO of the Company with effect from 01/4/2014.

CODE OF CONDUCT:

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to all Directors, Senior Management and employees of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and exemplary personal conduct. The code is available on the Company's Corporate Website. All the Board members and senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014. A certificate to this effect, duly signed by the Managing Director is annexed thereto.

A copy of the code has been put on the company's website www.yukenindia.com.

AUDIT COMMITTEE:

The Audit Committee of the Board and its constitution is in conformation with the requirements of section 292A of the Companies Act, 1956 and also in conformation with requirements of Clause 49(II)(A) of the Listing Agreement.

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

- Efficiency and effectiveness of Operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures
- 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 are as under:

- a) Oversight of the Company's financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the Board the appointment and removal of external auditors, fixation of audit fees and approval for payment for any other services.
- c) Reviewing, with management, the annual financial statements before submission to the Board for approval with particular reference to
 - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on the exercise of judgment made by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliances with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- d) Reviewing, with the management, statutory and internal auditors the adequacy of the internal control systems.
- e) Reviewing the adequacy of the internal audit functions, including the structure of the internal audit department, approval of the audit plan and its execution and frequency of audit plan.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- i) Reviewing of management letters issued by statutory auditors.
- j) Reviewing the Company's financial and risk management policies.
- k) Looking into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- l) Seek assistance from statutory auditors in such areas and in such manner as desired by the audit Committee from time to time.
- m) Reviewing the Management Discussion and Analysis of financial condition and results of operations.
- n) Reviewing with the Management, the quarterly financial statements before submission for approval.
- o) Appointment of Chief Financial Officer (CFO) after the assessing the qualifications, experience & background of the candidate.

The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirements of the Companies Act 1956 and of the Listing Agreement.

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

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

The Compliance Officer functions as Secretary to the Committee.

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

During the year, four meetings of the Audit Committee were held, the dates being 18/05/2013, 27/07/2013, 26/10/2013, & 08/02/2014. The quorum as required under Clause 49(II)(B) was maintained at all the meetings.

The composition of the Audit Committee as at 31st March, 2014 and the attendance of the members at the Audit Committee Meetings are as follows:

Sl no	Director	No of Meetings held during the year	No of Meetings attended during the year
1	Mr. V Balaji Bhat (Chairman)	4	4
2	Mr R Srinivasan	4	4
3	Capt N S Mohan Ram	4	3
4	Mr. C P Rangachar	4	4

Note:

- (i) Mr. V Balaji Bhat ceased to be Chairman w.e.f 08/02/2014
- (ii) Capt. N S Mohanram appointed as Chairman w.e.f 08/02/2014.

The Chairman of the Audit Committee Mr.V Balaji Bhat was present at the Annual General Meeting held on 18th September 2013.

REMUNERATION COMMITTEE:

The purpose of the Remuneration Committee of the Board shall be to discharge the Board's responsibilities relating to the compensation of the Company's executive directors, 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. The remuneration policy, therefore, is market- lead and takes into account the competitive circumstances of business so as to attract and to retain quality, talent and leverage performance significantly.

As at the year end, the Remuneration Committee comprises of two Non-executive & Independent Directors viz. Mr. R Srinivasan as Chairman and Dr. Premchander as member.

During the year, there were no meetings took place.

SHARE TRANSFERS AND INVESTORS GRIEVANCE COMMITTEE:

The Shares Transfers and Investors Grievance Committee is authorized to:

1. Monitor the system of share transfer, transmission, sub-division, consolidation, De-Materialization and Re-Materialization.
2. Deal with all investor related issues including redressal of Complaints from shareholders relating to transfer of shares, non-receipt of Balance Sheet etc
3. To delegate such powers to Company's Officers, as may be necessary including powers to approve transfers, transmissions, authenticate share certificates and to take actions in relation to shareholder related matters.

During the year, the Board has authorized Mr H M Narasinga Rao, CFO & Compliance Officer, Mrs U S Geetha Pushpa, General Manager-Finance to be the member of share transfer committee to look into share transfer related matters and to the grievances of investors. The proceedings are to be reported at the Board Meetings for the Board to take note of.

The attendance of the members at the Share Transfers and Investors Grievance Committee Meeting held during the year is as follows:

Committee Members	No of Meetings held during the year	No of Meetings attended during the year
Mr. H M Narasinga Rao	3	3
Mrs U S Geetha Pushpa	3	3

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

Sl. no	Nature of Complaints	Received	Addressed	Pending
1	Complaints with regard to non-receipt of share certificates	1	1	0
2	Complaints with regard to non-receipt of dividend warrants	7	7	0
3	Complaints with regard to non-receipt of annual report	6	6	0
4	Others(complaints received through SE/SEBI)	0	0	0
	TOTAL	14	14	0

SUBSIDIARY COMPANIES:

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

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

DISCLOSURES:

(A) Related Party transactions:

During the financial year ended 31st March 2014, besides the transactions reported in Note 31 of 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 interest of the Company at large. Further, there are no material individual transactions that are not in the normal course of business or not on arm's length basis.

(B) Disclosure of accounting treatment:

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

(C) Risk Management:

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

(D) Proceeds from public issue, right issue, preferential issue, etc:

The Company has not raised any capital during the year ended 31st March, 2014.

(E) Remuneration of Directors

Executive Directors:

Mr C P Rangachar, Managing Director was re-appointed as Managing Director at the AGM for a period of 5 (Five) years with effect from 1st May 2010 and payment of remuneration for first three years, the salary in the scale of Rs. 350,000 – Rs. 600,000 with authority to Board to fix the annual increments. Commission is calculated based on the net profits of the Company in a particular financial year and is determined by the Board of Directors on the recommendation of the Remuneration Committee subject to the overall ceiling as stipulated in Section 198 and 309 of the Companies Act, 1956. Commission is the only component of remuneration, which is performance-linked and the other components are fixed.

Commission payable to Non – Executive Directors:

Director	Amount payable (Rs.)
Mr. O Tanaka	29834
Mr. Y Mukaide	29834
Mr. R Srinivasan	29833
Capt N S Mohanram	29833
Dr Premchander	29833
V. Balaji Bhat	29833

Details of remuneration paid to the Executive Director for the year 2013-14*:

(Rs.in lakhs)

Name & Designation	Salary & Commission	Value of Perquisites	Contribution to Provident and Superannuation Fund	Total (Rs)
Mr. C .P. Rangachar (Managing Director)	36.00	4.86	9.72	50.58

* excludes charge for gratuity and leave encashment as separate actuarial valuation figures are not available

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS:

The compensation of the Non-Executive Directors is in the form of sitting fees and commission not exceeding 1% of the net profits of the Company so long as the Company has a Whole time Director and / or Managing Director, as recommended by the remuneration committee and Board of Directors and approved by the shareholders. The Non-Executive Directors were in receipt of sitting fees of Rs 10,000/-per meeting.

Sitting Fees paid to Non-Executive Directors:

Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Shares Transfers and Investors Grievance Committee Meeting	Total (Rs)
Mr. Y Mukaide	-	-	-	-	-
Mr.O Tanaka	1	-	-	-	10,000
Mr. R Srinivasan	5	4	-	-	90,000
Mr. V Balaji Bhat	5	4	-	-	90,000
Capt N S Mohanram	4	3	-	-	70,000
Dr. Premchander	3	-	-	-	30,000
				TOTAL	2,90,000

None of the Non-Executive Directors hold shares of the Company.

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

(F) Management Discussion and Analysis:

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

CEO/CFO CERTIFICATION:

The Managing Director being the Chief Executive Officer (CEO) and the Vice President– Finance being the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31,2014, which is annexed there to.

GENERAL BODY MEETING:

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

Location, date and time of last three Annual General Meetings held:

Year	Date	Location	Time
2010-11	2nd September, 2011	Hotel Woodlands (P) Ltd,Raja Ram Mohan Roy Road, Bangalore-560025	10.00 am
2011-12	30th August, 2012	Regd Office:Post Box no:16, Whitefield Road, Whitefield. Bangalore-560066	10.30 am
2012-13	18th September 2013	Regd Office:Post Box no:16, Whitefield Road, Whitefield. Bangalore-560066	10.30 am

MEANS OF COMMUNICATION:

The quarterly financial results of the Company were sent to the Stock Exchanges immediately after the Board took the same on record.

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

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

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

GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting: 9th September 2014 at Woodland Hotel Pvt. Ltd., No.5, Rajarammohan Roy Road, Bangalore - 560 025 at 11AM.

b) Financial Calendar:

- i) Financial Year : April to March
- ii) First Quarter Results : July
- iii) Second Quarter Results : October
- iv) Third Quarter Results : January
- v) Results for the year ended : May

c) Date of Book Closure 4th September 2014 to 8th September 2014.(both days inclusive)

d) Proposed Dividend: 15%

e) Dividend Payment Date: 30 days from the date of AGM

f) Listing of Shares:

Company's shares are listed at:

1. Bangalore Stock Exchange Limited (BgSE)

Stock Exchange Towers,

51, 1st Cross, J C Road,

Bangalore-560027

Scrip Code: 522108

2. Bombay Stock Exchange Limited (BSE)

Phiroz Jeejeebhoy Towers

Dalal Street,

Mumbai-400 001

Scrip Code: 522108

3. Ahmedabad Stock Exchange Limited, (ASE)

Kamadhenu Complex,

Opposite – Sahjanand college

Panjra Pole

Ahmedabad-380015.

Scrip Code: 68030

The listing fees for the year 2013-14 have been paid to the above Stock Exchanges.

Registrar of Share Transfer Agents:

Karvy Computershare Pvt Ltd,

Plot # 17-24, Vittal Rao Nagar,

Madhapur,

Hyderabad-500 081

Phone: 040 23420815-28

(g) Market Price Data:

- High – Low during each month in the year 2013-14 at Mumbai Stock Exchange is furnished below:

SL NO.	Month	HIGH	LOW
1	APR	132.00	105.60
2	MAY	132.00	107.05
3	JUN	119.85	92.60
4	JUL	109.00	87.30
5	AUG	97.65	83.60
6	SEP	97.00	81.50
7	OCT	105.00	93.05
8	NOV	121.25	100.00
9	DEC	141.75	118.85
10	JAN	152.00	131.00
11	FEB	150.00	127.75
12	MAR	184.80	139.20

The trading in the other Stock Exchanges was negligible during the year ended 31st March 2014.

(h) Share Transfer System

All the transfers received are processed and approved by the Share Transfers and Investor Grievance Committee at its meeting.

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

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

The Company had no transfer of shares pending as on 31st March 2014.

(i) Distribution Schedule - Consolidated as on 31/03/2014

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	4094	91.55	470,755	4,707,550	15.69
5001- 10000	207	4.63	164,031	1,640,310	5.47
10001-20000	82	1.83	115,649	1,156,490	3.85
20001- 30000	35	0.78	88,357	883,570	2.95
30001- 40000	18	0.40	60,871	628,710	2.10
40001- 50000	10	0.22	44,850	448,500	1.50
50001- 100000	8	0.18	60,697	606,970	2.02
100001& Above	18	0.40	1,992,790	19,927,900	66.42
TOTAL	4,472	100	3,000,000	30,000,000	100.00

(j) Plant location / address for correspondence:

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

Address for Communication:

Yuken India Limited,

Post Box No: 16, Whitefield Road,

Whitefield,

Bangalore-560066

Karnataka, India.

Telephone: 080 28453810, 28452262

Fax: 080 28452261, 28451560

e-mail: yilinfo@yukenindia.com

k) Shareholding Pattern as on 31st March, 2014:

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	1,576,282	52.54
Mutual Funds / UTI	1,500	0.05
Private Corporate Bodies	153,590	5.12

Category	No of Shares Held	Percentage of Shareholding
Indian Public	1,179,056	39.30
NRIs/OCBs	89,572	2.99
Grand Total	3,000,000	100.00

(I) Directors seeking appointment/ re-appointment

As required under Clause 49(IV)(G), particulars of Directors seeking appointment/ re-appointment are given in the Explanatory Statement and Annexure to the Notice of the Annual General Meeting to be held on 9th September 2014.

STATUS OF COMPLIANCE OF NON MANDATORY REQUIREMENTS:

1. Remuneration Committee :

Details are given under the heading 'Remuneration Committee'.

2. Shareholder's rights :

The quarterly and annual financial results of the Company are published in leading newspapers, Company's website and are provided to stock exchanges in compliance with the provisions of the Listing Agreement. The complete Annual Report is sent to each and every shareholder of the Company.

3. Audit qualifications :

During the year, there were no qualifications in the auditor's report.

SECRETARIAL COMPLIANCE CERTIFICATE

CIN of the Company : L29150KA1976PLC003017

Authorised Capital : 60,000,000.00/-

To,

Members,

Yuken India Limited,

PB 16, Whitefield Road,

Whitefield, Bangalore - 560066.

We have examined the registers, records, books and papers of Yuken India Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in 'Annexure – A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in 'Annexure – B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company has minimum paid up capital as prescribed under Section 3 (1)(iv)(c) of the Act. The Company being a public company, comments relating to the provisions of Section 3(1)(iii) of the Act are not required.
4. The Board of Directors met 5 times respectively on 18/05/2013, 27/07/2013, 18/09/2013, 26/10/2013 and 08/02/2014 in respect of which meetings notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 14/09/2013 to 17/09/2013 (both days inclusive) during the year under scrutiny
6. The Annual General Meeting for the financial year ended on 31/03/2013 was held on 18/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meetings were held during the year under scrutiny.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act during the year under scrutiny.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the year under scrutiny.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act during the year under scrutiny, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the year under scrutiny.
13. The Company has:
 - i) Made the transfer / transmission of shares in accordance with the provisions of the Act;
 - ii) Declared dividend during the year under scrutiny.

- iii) Deposited the amount of dividend declared in a separate bank account within 5 days from the date declaration of such dividend.
 - iv) Posted warrants for dividend to the members of the Company within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividends has been transferred to Unpaid Dividend Account of the Company.
 - v) Transferred the amounts in unpaid dividend account, which have remained unclaimed or unpaid for a period of seven year to Investor Education and Protection Fund as there were amounts outstanding during the financial year under review.
 - vi) Generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the year under scrutiny.
 15. The Company has not appointed any Managing Director/ Whole-time director/ Manager during the year under scrutiny.
 16. The Company has not appointed any sole selling agents during the year under scrutiny.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under scrutiny.
 18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not allotted any shares during the year under scrutiny.
 20. The Company has not bought back any shares during the year under scrutiny.
 21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not accepted deposits falling within the purview of Section 58A of the Act during the year under scrutiny.
 24. The borrowings made by the Company during the financial year ended 31st March 2014 were within the borrowing powers of the Company.
 25. The Company has made investments in other body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.
 31. As per the information and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under scrutiny, for offences under the Act.

32. As per the information and explanations given by the Company, the Company has not received any money as security from its employees during the year under scrutiny.
33. The Company doesnot have any Provident Fund scheme pursuant to Section 418 of the Act.

For BG & Associates
Company Secretaries

Place: Bangalore
Date: 18/06/2014

Binoy Chacko
Partner
P No. 4221

ANNEXURE – A:

Registers as maintained by the Company	
Sl.No	Name of the Register
1	Register of Charges U/s. 143(1)
2	Register of Members U/s. 150(1)
3	Register of Contracts U/s. 301(1)
4	Register of Directors U/s. 303(1)
5	Register of Directors Shareholding U/s. 307(1)
6	Register of Loans or Investments made, Guarantee given or Security provided U/s. 372A

For BG & Associates
Company Secretaries

Place: Bangalore
Date: 18/06/2014

Binoy Chacko
Partner
P No. 4221

ANNEXURE – B:

Returns / Forms / Documents filed with Registrar of Companies, Regional Director, Central Govt. or other authorities during the financial year ended on 31st March 2014						
I: REGISTRAR OF COMPANIES						
Sl. No.	Form No.	Relevant Section	Description of the Document	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes/No
1.	20B	Section 159 of the Companies Act 1956	Annual return for the year ending 31/03/2013	14/11/2013	Yes	No
2.	20B	Section 159 of the Companies Act 1956	Annual return for the year ending 31/03/2012	16/10/2013	No	Yes
3.	1INV	Rule 3 of IEPF(Awareness and Protection of Investors) Rules, 2001	Amount of Rs. 116,699/- Transferred to IEPF from the unpaid Dividend account of the Company	04/10/2013	NA	NA
4.	5INV	Rule 3 of IEPF(U>Loading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of un-claimed and unpaid amounts for the Financial year ended 31/03/2013.	02/01/2014	NA	NA
5.	32	303(2) of the Companies Act 1956	Resignation of Mr. Shigeyoshi Yamanoi as Whole-Time Director w.e.f 01/04/2013	21/08/2013	No	Yes
6.	32	303(2) of the Companies Act 1956	Resignation of Mr. Balaji Venugopal Bhat as the Director w.e.f 08/02/2014	19/02/2014	Yes	No
7.	23AC &ACA XBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31/03/2013(Annual General Meeting being held on 18/09/2013.	16/11/2013	Yes	No

II - REGIONAL DIRECTOR - NIL

III - CENTRAL GOVERNMENT AND OTHER AUTHORITIES - NIL

For BG & Associates
Company SecretariesPlace: Bangalore
Date: 18/06/2014BINOY CHACKO
Partner, C P No. 4221

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief,
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the audit committee,
 - i) significant changes in internal control during the period;
 - ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
 - iii) instances of significant fraud if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

(H M NARASINGA RAO)

Chief Financial Officer &
VP - Finance

Place: Bangalore

Date: 29th May 2014

(C P RANGACHAR)

Chief Executive Officer &
Managing Director.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1.0 Report on the Financial Statements

We have audited the accompanying financial statements of YUKEN INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditors' Responsibility

3.1 Our responsibility is to express an opinion on these 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5.0 Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

5.2 As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

for Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No: 008072S

Place: Bangalore
Date : May 29, 2014

S. Ganesh
Partner
Membership No. 204108

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

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses iii (b) to (d), (f) and (g), v(b), vi, ix(c), xii, xiii, xiv, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
- (a) In our opinion and according to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears for a period of more than six months from the date they became payable.
- (x) The company does not have accumulated losses at the end of financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xv) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place: Bangalore
Date : May 29, 2014

S. Ganesh
Partner
Membership No. 204108

Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at	As at
		31 March, 2014	31 March, 2013
		Rs. in lakhs	Rs. in lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	300.00	300.00
(b) Reserves and surplus	4	5,178.52	4,977.08
		5,478.52	5,277.08
2 Non-current liabilities			
(a) Long-term borrowings	5	187.50	437.50
(b) Deferred tax liabilities (net)	35	438.13	427.15
(c) Other long-term liabilities	6	472.62	404.23
(d) Long-term provisions	7	175.59	149.33
		1,273.84	1,418.21
3 Current liabilities			
(a) Short-term borrowings	8	2,962.68	2,439.21
(b) Trade payables	9	3,419.17	2,496.54
(c) Other current liabilities	10	639.51	1,083.80
(d) Short-term provisions	11	85.75	73.75
		7,107.11	6,093.30
TOTAL		13,859.47	12,788.59
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.a	5,039.96	5,228.79
(ii) Intangible assets	12.b	88.41	73.99
(iii) Capital work-in-progress	12	39.08	48.46
		5,167.45	5,351.24
(b) Non-current investments	13	345.41	334.24
(c) Long-term loans and advances	14	108.85	107.98
(d) Other non-current assets	15	2.89	10.65
		5,624.60	5,804.11
2 Current assets			
(a) Current investments	16	-	24.41
(b) Inventories	17	2,516.76	1,951.01
(c) Trade receivables	18	5,102.34	4,262.61
(d) Cash and bank balances	19	96.48	99.88
(e) Short-term loans and advances	20	500.01	636.71
(f) Other current assets	21	19.28	9.86
		8,234.87	6,984.48
TOTAL		13,859.47	12,788.59
See accompanying notes forming part of the financial statements	1 - 36		

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

For and on behalf of the Board of Directors

S.Ganesh
Partner

C P Rangachar
Managing Director

CAPT. N S Mohanram
Director

R Srinivasan
Director

H M Narasinga Rao
Chief Financial Officer

Place : Bangalore
Date : 29th May 2014

Statement of Profit and Loss for the year ended 31 March, 2014

	Particulars	Note No.	For the year ended	For the year ended
			31 March,2014	31 March,2013
			Rs. in lakhs	Rs. in lakhs
1	Revenue from operations (gross)		18,316.45	17,164.29
	Less : Excise duty		1,867.83	1,759.95
	Revenue from operations (net)	22	16,448.62	15,404.34
2	Other income	23	63.67	118.54
3	Total revenue (1+2)		16,512.29	15,522.88
4	Expenses			
	(a) Cost of materials consumed	24.a	8,476.64	7,771.16
	(b) Purchases of stock-in-trade	24.b	22.66	36.97
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.c	(305.56)	(23.22)
	(d) Employee benefit expenses	25	2,836.31	2,453.63
	(e) Finance costs	26	375.79	473.36
	(f) Depreciation and amortisation expense	12.c	431.34	413.13
	(g) Other expenses	27	4,560.98	4,066.86
	Total expenses		16,398.16	15,191.89
5	Profit before expceptional item and tax (3 - 4)		114.13	330.99
6	Exceptional item	28	200.59	-
7	Profit before tax (5+6)		314.72	330.99
8	Tax expense:			
	(a) Current tax expense		70.00	66.00
	(b) MAT credit entitlement		(20.00)	(66.00)
	(c) Deferred tax		10.98	129.78
	Net tax expense		60.98	129.78
9	Profit for the year (7 - 8)		253.74	201.21
10	Earnings per share of Rs.10/- each -Basic and diluted	34	8.46	6.71
	See accompanying notes forming part of the financial statements	1 - 36		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
PartnerC P Rangachar
Managing DirectorCAPT. N S Mohanram
DirectorR Srinivasan
DirectorH M Narasinga Rao
Chief Financial OfficerPlace : Bangalore
Date : 29th May 2014

Cash Flow Statement for the year ended 31 March,2014

Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
A) Cash flow from operating activities		
Net profit before extraordinary items and tax	314.72	330.99
Adjustments for		
Add :		
Depreciation and amortisation	431.34	413.13
Interest expense	360.64	453.34
Provision for doubtful trade receivables (net)	21.61	26.88
Bad trade and other receivables written off	17.83	5.38
	1,146.14	1,229.72
Less :		
Interest income	2.56	14.35
Profit /(loss) on sale of assets (net)	1.94	6.38
Unrealised exchange difference on translation of foreign currency cash and cash equivalents	(4.01)	(4.53)
Net unrealised exchange gain/(loss) on other than cash and cash equivalent	21.23	11.84
Dividend income	0.06	18.06
Profit on sale of Investments in equity shares	200.59	-
Liabilities / provisions no longer required written back	-	15.20
Operating profit before working capital changes	923.77	1,168.42
Changes in working capital		
Add: Adjustments for (increase) / decrease in operating assets		
Inventories	(565.75)	196.28
Trade receivables	(877.45)	1,093.57
Other current assets	(3.94)	(5.34)
Other non-current assets	7.76	18.69
Short-term loans and advances	90.51	(31.99)
Long-term loans and advances	(1.69)	(12.66)
	(426.79)	2,426.97
Less: Adjustments for increase / (decrease) in operating liabilities		
Trade payables	(937.83)	537.13
Short-term provisions	(12.00)	0.11
Other current liabilities	(44.08)	40.18
Other long term liabilities	(68.39)	53.55
Long-term provisions	(26.26)	(30.65)
Cash generated from operations	661.77	1,826.65
Net income tax (paid) / refunds	(3.81)	(195.07)
Net cash from operating activities	657.96	1,631.58
B) Cash flow from investing activities		
Purchase of fixed assets, including capital advances	(259.36)	(572.36)
Sale of investment in equity shares	135.00	90.00
Purchase of long-term investments - Subsidiary	(11.17)	(43.71)
Proceeds from sale of fixed assets	14.56	31.73
(Increase)/Decrease in Short term bank deposits	(55.39)	(2.29)
(Increase)/Decrease in earmarked balances with banks	0.47	(0.28)
Dividend received	0.06	18.06
Interest received	1.39	15.22
Cash flow from Investing activities	(174.44)	(463.63)
C) Cash flow from financing activities		
Inflow		
Net increase / (decrease) in working capital borrowings	523.47	370.93
Outflow		
Long term borrowings (net)	650.00	37.31
Repayment/(Proceeds) of other short-term borrowings	-	1,052.53
Dividends and tax on dividends paid	52.77	86.89
Interest paid	358.54	455.05
	1,061.31	1,631.78
Cash flow from / (used in) financing activities	(537.84)	(1,260.85)
Net (decrease)/ increase in cash and cash equivalents	(54.32)	(92.90)
Cash and bank balances at the beginning of the year	85.28	182.71
Effect of exchange differences on restatement of foreign currency Cash	(4.01)	(4.53)
Cash and cash equivalents at the end of the year	26.95	85.28
Cash and cash equivalents as per Note 19	26.95	85.28

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

S.Ganesh

Partner

C P Rangachar

Managing Director

For and on behalf of the Board of Directors

CAPT. N S Mohanram

Director

R Srinivasan

Director

H M Narasinga Rao
Chief Financial Officer

Place : Bangalore

Date : 29th May 2014

Notes forming part of the financial statements

Particulars

1.00 Corporate Information

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

2.00 Basis of accounting and preparation of financial statements

The financial statements have been prepared on the accrual concept of accounting under the Historical Cost Convention in accordance with the generally accepted accounting principles and comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

2.01 Use of estimates

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

2.02 INVENTORIES

Inventories are valued as follows

(i) a) Raw Materials & Components	}	At lower of cost on Moving Weighted Average value and net realizable value "
(ii) a) Material in transit b) Work in Process *	}	At lower of cost and net realizable value
(iii) Finished Goods *		At lower of cost and net realizable value
(iv) Tools		At lower of cost and net realizable value

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

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

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

2.04 Cash flow statement

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

2.05 Depreciation / Amortisation

Depreciation on Fixed Assets is provided at the rates specified in Schedule XIV of the Companies Act 1956, under Straight Line Method. Depreciation on additions during the year is on pro-rata basis, based on the date the assets are put to use. Assets costing less than Rs. 5,000/- are fully depreciated during the year.

Technical Know how fee is amortized over a period of 5 years on pro-rata basis.

Cost of License and Implementation of Enterprise Resource Planning (ERP) software is amortized over the estimated useful life of 5 years.

Expenses incurred on research and developments are charged to revenue in the same year. Fixed assets purchases for research and development purposes are capitalized and depreciated as per the Company's policy.

2.06 Revenue recognition**Sale of goods**

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

Income from services

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

2.07 Other income

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

2.08 Tangible fixed assets

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

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

2.09 Capital work-in-progress:

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

2.10 Intangible assets

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

2.11 Foreign currency transactions and translations

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

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

Non monetary foreign currency items are carried at cost.

2.12 Investments

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

2.13 Employee benefits

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

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the Employees.

Defined benefit plans

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

Short-term employee benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.”

Long-term employee benefits

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

2.14 Borrowing costs

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

2.15 Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum

lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

2.16 Earnings per share

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

2.17 Taxes on income

Current Tax :

Current tax expense is determined in accordance with the provisions of the Income - tax Act, 1961.

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

Deferred Tax :

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

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

2.18 Impairment of assets

“ Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an impairment loss is recognized when the carrying amount exceeds greater of net selling price and value in use.

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

2.19 Provisions and contingencies

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

2.20 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	6,000,000	600.00	6,000,000	600.00
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00

Refer notes (i) to (iii) below

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

Particulars	Opening	Closing
Equity shares with voting rights		
As at 31 March,2014		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00
As at 31 March,2013		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00

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

Class of shares / Name of shareholder	As at 31 March,2014		As at 31 March,2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken Kogyo Co Ltd	1,200,000	40.00	1,200,000	40.00
- Benefic Investments & Finance Co P Ltd	347,952	11.60	347,952	11.60

(iii) Right, preferences and restrictions attached to shares

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

Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) General reserve		
Opening balance	542.58	531.58
Add : Additions during the year	13.00	11.00
Closing balance	555.58	542.58
(b) Surplus in Statement of Profit and Loss		
Opening balance	4,434.50	4,296.59
Add : Profit for the year	253.74	201.21
Less : Dividends proposed to be distributed to equity shareholders (Rs.1.50 per share (PY: Rs.1.50/- per share))	45.00	45.00
Less : Tax on dividend	7.30	7.30
Less : Transferred to general reserve	13.00	11.00
Closing balance	4,622.94	4,434.50
Total	5,178.52	4,977.08

Note 5 Long-term borrowings

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	187.50	437.50
Total	187.50	437.50

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

This loan is secured by exclusive first charge on hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50 lakhs each at an interest rate of 10.15%.

Note 6 Other long-term liabilities

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Payable on purchase of fixed assets	11.18	2.83
(b) Trade / security deposits received	454.89	393.99
(c) Other deposits	6.55	7.41
Total	472.62	404.23

Note 7 Long-term provisions

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
Provision for compensated absences (Refer Note 30.2)	175.59	149.33
Total	175.59	149.33

Notes forming part of the financial statements

Note 8 Short-term borrowings

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) below)	560.97	439.21
Unsecured	2,401.71	2,000.00
Total	2,962.68	2,439.21

Details of security for the short-term borrowings

(i) This loan is secured by first pari-passu charge on inventory, receivables and the entire other current assets of the Company (both existing and future) and first charge on unencumbered fixed assets.

Note 9 Trade payables

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Trade payables:		
Acceptances	-	20.00
Other than acceptances (Refer note 29.2)	3,419.17	2,476.54
Total	3,419.17	2,496.54

Note 10 Other current liabilities

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	250.00	650.00
(b) Interest accrued but not due on borrowings	-	5.37
(c) Unpaid dividends	8.25	8.72
(d) Other payables		
(i) Statutory remittances	121.79	103.89
(ii) Payable on purchase of fixed assets	25.80	44.92
(iii) Payable towards superannuation	87.56	74.14
(iv) Payable towards defined benefit obligations (Refer Note No 30)	45.34	21.90
(v) Advance from customers	88.93	73.00
(vi) Advance against sale of investment	-	90.00
(vii) Other deposits	9.06	7.48
(viii) Others	2.78	4.38
Total	639.51	1,083.80

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

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured	250.00	650.00
Total	250.00	650.00

(b) This loan is secured by exclusive first charge by hypothecation of Company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50 Lakhs each at an interest rate of 10.15%.

Notes forming part of the financial statements

Note 11 Short-term provisions

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Provision for compensated absences (Refer note 30.2)	33.30	21.30
(b) Provision for fringe benefit tax (net of advance tax of Rs.119.85 Lakhs (PY :Rs.119.85 Lakhs))	0.15	0.15
(c) Provision for proposed dividend	45.00	45.00
(d) Provision for tax on dividend	7.30	7.30
Total	85.75	73.75

Note 13 Non-current investments

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Investments (At cost)- :		
<u>A.Trade</u>		
a) Investment in equity shares of subsidiaries		
996,000 (As at 31.03.2013 : 996,000) fully paid equity shares of Rs.10/-each of Yuflow Engineering Pvt Ltd.	160.20	160.20
619,100 (As at 31.03.2013 : 480,000) fully paid equity shares of Rs.10/- each of Coretec Engineering India Pvt Ltd.	23.14	12.00
	183.34	172.20
b) Investment in equity shares of associates		
360,000 (As at 31.03.2013 : 360,000) fully paid equity shares of Rs 10/- each of Sai India Ltd	20.00	20.00
437,100 (As at 31.03.2013 : 437,100) fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd.	43.71	43.71
	63.71	63.71
c) Investment in equity shares of others		
941,330 (As at 31.03.2013 : 941,330) fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Pvt Limited	94.13	94.13
	94.13	94.13
Total - Trade (A)	341.18	330.04
<u>B.Other investments</u>		
a) Investment in equity shares of associates		
37,300 (As at 31.03.2013 : 37,000) fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd	3.73	3.70
	3.73	3.70
b) Investment in equity shares of others		
2,000 (As at 31.03.2013 : 2,000) fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd	0.50	0.50
	0.50	0.50
Total - Other investments (B)	4.23	4.20
Total (A+B)	345.41	334.24
Aggregate amount of unquoted investments	345.41	334.24

Notes forming part of the financial statements

Note 12 (a) Fixed assets - Tangible	TANGIBLE ASSETS										(Rs. in lakhs)	
	Cost			Depreciation			Net Block					
	As at 1st Apr, 2013	Additions during the year	Deductions during the year	As at 31st March, 2014	Upto 1st Apr, 2013	For the year	On Deductions	Upto 31st March, 2014	As at 31st March, 2014	As at 31st Mar, 2013	Rs.	Rs.
Freehold Land	267.23	-	-	267.23	-	-	-	-	267.23	267.23		
Buildings	1,693.58	6.44	-	1,700.02	252.31	49.80	-	302.11	1,397.91	1,441.27		
Plant Machinery & Equipment	4,044.51	93.70	9.72	4,128.49	1,445.91	226.45	8.05	1,664.31	2,464.18	2,598.60		
Electrical Installation	390.06	15.22	-	405.28	65.70	18.48	-	84.18	321.10	324.36		
Furniture / Fixtures	115.31	5.70	-	121.01	59.85	7.13	-	66.98	54.03	55.46		
Office Equipments	459.52	55.76	-	515.28	220.88	51.49	-	272.37	242.91	238.64		
Jigs/Fixtures	478.64	53.31	9.49	522.46	245.36	38.76	0.83	283.29	239.17	233.28		
Motor Vehicles	151.48	-	3.75	147.73	81.53	14.24	1.47	94.30	53.43	69.95		
Total	7,600.33	230.13	22.96	7,807.50	2,371.64	406.35	10.35	2,767.54	6,039.96	6,228.78		
	(7,047.56)	(655.44)	(102.67)	(7,600.33)	(2,065.15)	(383.71)	(77.32)	(2,371.54)	(5,228.79)			

Note 12 (b) Fixed assets - Intangible

Note 12 (b) Fixed assets - Intangible	INTANGIBLE ASSETS										Net Block	
	Cost			Amortisation			Net Block					
	As at 1st Apr, 2013	Additions during the year	Deductions during the year	As at 31st March, 2014	Upto 1st Apr, 2013	For the year	On Deductions	Upto 31st March, 2014	As at 31st March, 2014	As at 31st Mar, 2013	Rs.	Rs.
Others :												
Software	195.83	39.42	-	235.25	138.17	20.91	-	159.08	76.17	57.66		
Technical Fee	53.80	-	-	53.80	37.47	4.09	-	41.56	12.24	16.33		
Total	249.63	39.42	-	289.05	175.64	25.00	-	200.64	88.41	73.99		
	(246.63)	(3.00)	-	(249.63)	(146.22)	(29.42)	-	(175.64)	(73.99)			
Total (a) + (b)	7,849.96	269.55	22.96	8,096.55	2,647.18	431.35	10.35	2,968.18	6,128.37	6,302.78		
Capital Work in Progress									39.08	48.46		
Grand Total									6,167.45	6,351.21		

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

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 (a)	406.35	383.71		
Amortisation for the year on intangible assets as per Note 12 (b)	25.00	29.42		
Depreciation and amortisation relating to continuing operations	431.35	413.13		

Note: Figures in brackets relates to previous year.

Notes forming part of the financial statements

Note 14 Long-term loans and advances

Unsecured, considered good

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Capital advances	-	0.82
(b) Security deposits	97.80	96.92
(c) Loans and advances to employees	8.69	7.13
(d) Prepaid expenses	0.95	1.70
(e) Other loans and advances	1.41	1.41
Total	108.85	107.98

Note 15 Other non-current assets

Unsecured, considered good

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Others		
Balance held in margin money account (refer note below)	2.89	10.65
Total	2.89	10.65

Note - Balances in margin accounts are under lien.

Note 16 Current investments

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Investments (At cost)- :		
<u>A.Trade</u>		
a) Investment in equity shares of subsidiaries		
Current portion of long- term investments		
Nil (As at 31.03.2013 : 2,250) fully paid equity shares of Rs.100/- each of Prism Hydraulics Pvt. Ltd (refer note below)	-	24.41
Aggregate amount of unquoted investments	-	24.41

Note - During the previous year, the Company entered in to a joint memorandum of compromise before the Company Law Board dated 4 January,2013 with the minority shareholders of Prism Hydraulics Private Limited, a subsidiary,to transfer its entire investment holding of 60% to the minority shareholders at a consideration of Rs.225 Lakhs on or before 31 December,2013 subject to compliance of certain terms and conditions, which has been realised in full .

Note 17 Inventories

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,255.53	1,001.05
(b) Goods-in-transit - rawmaterial	23.76	32.72
(c) Work-in-progress	759.97	506.44
(d) Finished goods (other than those acquired for trading)	367.63	307.27
(e) Stock-in-trade	18.81	28.26
(f) Loose tools	91.06	75.27
Total	2,516.76	1,951.01

For details of movement in work in progress, refer note 24(c)

Notes forming part of the financial statements

Note 18 Trade receivables

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	462.63	410.47
Doubtful	108.36	86.75
	570.99	497.22
Less: Provision for doubtful trade receivables	108.36	86.75
	462.63	410.47
Other trade receivables		
Unsecured, considered good	4,639.71	3,852.14
	4,639.71	3,852.14
Total	5,102.34	4,262.61

Note 19 Cash and bank balances

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
Cash and cash equivalents		
(a) Cash on hand	5.00	1.88
(b) Balances with banks		
In current accounts	12.50	17.29
In EEFC accounts	1.59	50.92
In earmarked accounts		
- In deposit accounts	7.86	15.19
	26.95	85.28
Other bank balances		
- Unpaid dividend accounts	8.25	8.72
- In deposit accounts	61.28	5.88
	69.53	14.60
Total	96.48	99.88

Note 20 Short-term loans and advances

Unsecured, considered good unless otherwise stated

Particulars	As at 31 March,2014	As at 31 March,2013
	Rs. in lakhs	Rs. in lakhs
(a) Security deposits	13.94	16.00
(b) Loans and advances to employees	12.45	10.38
(c) Prepaid expenses	35.87	76.35
(d) Balances with government authorities		
CENVAT credit receivable	84.63	168.48
VAT credit receivable	15.00	7.04
Service tax credit receivable	32.14	47.11
	131.77	222.63
(e) Advance income tax (net of provision for income tax of Rs.3,051.95 lakhs (PY Rs.2,981.95 lakhs))	25.52	91.71
(f) MAT credit entitlement	86.00	66.00
(g) Advance to suppliers	179.77	131.93
(h) Others	14.69	21.71
Total	500.01	636.71

Notes forming part of the financial statements

Note: Short-term loans and advances include balances due from:

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Private companies in which any director is a director or member		
Yuflow Engineering Pvt Ltd.	-	48.40
Bourton Consulting (India) Pvt Ltd.	3.93	3.93
	3.93	52.33

Note 21 Other current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	2.05	0.89
Duty drawback receivable	9.29	5.34
Rent receivable	7.94	3.63
Total	19.28	9.86

Note 22 Revenue from operations

Sl. No.	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. in lakhs	Rs. in lakhs
(a)	Sale of products (Refer Note (i) below)	18,215.48	17,056.23
(b)	Less : Excise duty	1,867.83	1,759.95
		16,347.65	15,296.28
(c)	Other operating revenues (Refer Note (ii) below)	100.97	108.06
	Total	16,448.62	15,404.34

Note	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. in lakhs	Rs. in lakhs
(i)	Sale of products comprises :		
	Manufactured goods		
	Hydraulic pump, valves, etc	12,886.33	12,018.69
	Hydraulic systems	3,575.94	3,979.11
	Cast Iron castings	1,711.29	1,010.46
	Traded goods		
	Cartridges	36.07	39.45
	Other Items	5.85	8.52
	Total	18,215.48	17,056.23

Note	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. in lakhs	Rs. in lakhs
(ii)	Other operating revenues comprises :		
	Training and other services rendered	81.78	96.08
	Duty drawback	12.20	9.96
	Income from generation of power	6.99	2.02
	Total	100.97	108.06

Notes forming part of the financial statements

Note 23 Other income

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Interest income (Refer Note (i) below)	37.74	43.96
(b)	Other non-operating income (Refer Note (ii) below)	25.93	74.58
	Total	63.67	118.54

Note	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(i)	Interest income comprises:		
	a) on deposits with banks	2.31	11.78
	b) on overdue trade receivables	35.18	29.61
	c) on others	0.25	2.57
	Total	37.74	43.96
(ii)	Other non-operating income comprises:		
	a) Liabilities/ provisions no longer required written back	-	15.20
	b) Dividend Income		
	'from long-term investments		18.00
	associates	-	
	others	0.06	0.06
	c) Profit on sale of fixed assets (net)	1.94	6.38
	d) Insurance claim received	0.40	19.44
	e) Miscellaneous income	23.53	15.50
	Total	25.93	74.58

Note 24.a Cost of materials consumed

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Opening stock	1,001.05	1,251.94
(b)	Add : Purchases	8,731.12	7,520.27
		9,732.17	8,772.21
(c)	Less : Closing stock	1,255.53	1,001.05
	Cost of Materials Consumed	8,476.64	7,771.16

Note	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(i)	Raw materials consumed comprises:		
	Steel	279.39	257.78
	Castings	749.87	739.21
	Others	7,447.38	6,774.17
	Total	8,476.64	7,771.16

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

Notes forming part of the financial statements

Note 24.b Purchases of stock-in-trade

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(i)	Cartridges	17.92	27.89
(ii)	Other Items	4.74	9.08
	Total	22.66	36.97

Note 24.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
	<u>Inventories at the end of the year:</u>		
(a)	Finished goods	320.79	259.31
(b)	Work-in-progress (Refer Note below)	759.97	506.44
(c)	Stock-in-trade	18.81	28.26
		1,099.57	794.01
	<u>Inventories at the beginning of the year:</u>		
(c)	Finished goods	259.31	266.30
(d)	Work-in-progress	506.44	485.35
(c)	Stock-in-trade	28.26	19.14
		794.01	770.79
	Net (increase) / decrease	(305.56)	(23.22)
	Note: Details of inventory of Work-in-progress	Rs. in lakhs	Rs. in lakhs
	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
	Hydraulic elements	393.02	276.46
	Hydraulic power units	55.99	27.00
	Cast Iron castings and alloyed Iron castings	209.22	138.87
	Gear pumps	101.74	64.11
		759.97	506.44

Note 25 Employee benefits expense

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Salaries and wages	2,447.04	2,120.73
(b)	Contributions to provident and other funds (Refer Note 30.1)	218.86	198.37
(c)	Staff welfare expenses	170.41	134.53
	Total	2,836.31	2,453.63

Note 26 Finance costs

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Interest on borrowings	355.49	427.88
(b)	Interest on dealers deposits and others	20.30	22.54
(c)	Other borrowing costs	-	3.52
(d)	Net loss on foreign currency translation (considered as finance costs)	-	19.42
	Total	375.79	473.36

Notes forming part of the financial statements

Note 27 Other expenses

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Consumption of stores and spare parts	414.76	277.18
(b)	Tools consumed	128.70	96.80
(c)	Consumption of packing materials	204.81	192.74
(d)	Increase / (decrease) of excise duty on inventory	(1.12)	(9.39)
(e)	Subcontracting	1,155.67	1,149.38
(f)	Power and fuel	552.21	401.74
(g)	Rent including lease rentals (Refer Note 33)	103.43	89.69
(h)	Repairs and maintenance - Buildings	61.17	32.68
(i)	Repairs and maintenance - Machinery	244.21	164.64
(j)	Repairs and maintenance - Others	9.15	6.56
(k)	Vehicle maintenance	86.10	72.60
(l)	Insurance	8.99	11.19
(m)	Rates and taxes	65.21	34.22
(n)	Travelling and conveyance	378.66	328.23
(o)	Freight and forwarding	293.68	239.09
(p)	Donations and contributions	0.25	0.11
(q)	Legal and professional charges	262.23	290.41
(r)	Payments to auditors (Refer Note (i) below)	15.12	14.43
(s)	Bad trade and other receivables written off	17.83	5.38
(t)	Net loss on foreign currency transactions and translation (other than considered as finance costs)	4.57	53.39
(u)	Provision for doubtful trade receivables (net) (Note: Rs.5.87 Lakhs (PY Rs.23.67 Lakhs) released for bad debts.)	21.61	26.88
(v)	Miscellaneous expenses	533.74	588.91
	Total	4,560.98	4,066.86

Note	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(i)	Payments to the auditors comprises (net of service tax input credit):		
	a) For statutory audit	7.75	6.50
	b) For taxation matters	1.50	3.90
	c) For company law matters	1.50	1.50
	d) For other services	3.50	2.50
	e) Reimbursement of expenses	0.87	0.03
	Total	15.12	14.43

Note 28 Exceptional items

Sl. No.	Particulars	For the year ended 31 March ,2014	For the year ended 31 March ,2013
		Rs. in lakhs	Rs. in lakhs
(a)	Profit on sale of Investments (Refer Note 16)	200.59	-
	Total	200.59	-

Notes forming part of the financial statements

Note 29 Additional information to the financial statements

	Particulars	As at			
		31 March, 2014	31 March, 2013		
		Rs In lakhs	Rs In lakhs		
29.1	Contingent liabilities and commitments (to the extent not provided for)				
(i)	Contingent liabilities				
	(a) Corporate guarantee given by the Company on behalf of subsidiaries.	359.00	386.05		
	(b) Bills discounted outstanding as at the year end	45.46	155.42		
(ii)	Commitments				
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	9.74	3.38		
29.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006				
	Particulars	As at			
		31 March, 2014	31 March, 2013		
		Rs In lakhs	Rs In lakhs		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	24.10	27.89		
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting	6.77	5.44		
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-		
	(iv) The amount of interest due and payable for the year	2.10	1.33		
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	8.87	6.77		
	Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.				
29.3	Disclosure as per Clause 32 of the Listing agreements with the Stock Exchanges				
	During the year the Company has not given any Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties. (PY:Nil)				
29.4	(i) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:				
		As at 31 March, 2014		As at 31 March, 2013	
		Rs. In lakhs	Foreign currency (In Lakhs)	Rs. In lakhs	Foreign currency (In Lakhs)
	Trade receivables				
		113.63	USD 2.08	254.81	USD 4.71
		175.44	EUR 2.11	71.28	EUR 1.01
		7.05	JPY 11.91	4.81	JPY 8.44
	Trade payables				
		907.28	USD 15.05	538.97	USD 9.96
		41.94	EUR 0.50	33.32	EUR 0.47
		1.47	JPY 2.50	-	EUR -
	Other current liabilities				
		-	USD -	5.99	USD 0.11
	EEFC balances				
		1.47	EUR 0.02	43.87	EUR 0.62
		0.12	USD 0.00	7.05	USD 0.13
29.5	Value of imports calculated on CIF basis :				
		As at			
		31 March, 2014	31 March, 2013		
		Rs in lakhs	Rs in lakhs		
	Raw materials	2,650.54	1,820.83		
	Capital goods	10.91	68.10		
	Total	2,661.45	1,888.93		
29.6	Expenditure in foreign currency :				
		As at			
		31 March, 2014	31 March, 2013		
		Rs in lakhs	Rs in lakhs		
	Brand fees	69.25	62.54		
	Royalty	4.10	2.85		
	Interest	0.99	2.81		
	Others	56.95	55.88		

Notes forming part of the financial statements

29.7	Details of consumption of imported and indigenous items	As at 31 March, 2014	
		Rs in lakhs	%
	Imported		
	Raw materials	2,527.77	29.01
		(1,954.47)	(24.06)
	Total	2,527.77	29.01
		(1,954.47)	(24.06)
	Indigenous		
	Raw materials	5,772.01	66.23
		(5,890.27)	(72.52)
	Consumable stores, spares and tools	414.76	4.77
		(277.18)	(3.40)
	Total	6,186.77	70.99
		(6,167.45)	(75.94)
	Total	8,714.54	100.00
		(8,121.92)	(100.00)

Note: Figures in brackets relate to the previous year

29.8	Earnings in foreign exchange :	As at	As at
		31 March, 2014	31 March, 2013
		Rs in lakhs	Rs in lakhs
	Export of goods calculated on FOB basis	719.66	998.32
	Other income	1.65	28.22

29.9	Amounts remitted in foreign currency during the year on account of dividends	As at	As at
		31 March, 2014	31 March, 2013
		Rs in lakhs	Rs in lakhs
	Amount of dividends remitted in foreign currency	18.00	30.00
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1.00	1.00
	Total number of shares held by them on which dividend was due	1,200,000	1,200,000
	Year to which the dividend relates	2012-13	2011-2012

29.10 The Company had entered into an arrangement during FY 2010-11 for services with a Private Limited Company in which a Director is interested and paid an advance of Rs.393,116/-. The Company has applied for requisite approval under Section 297 of the Companies Act, 1956 to the appropriate Authority, approval is awaited.

Note 30 Disclosures under Accounting Standards

30.1		Employee benefit plans	
Defined contribution plan		The Company makes provident fund and superannuation fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.107.93 lakhs (Year ended 31 March, 2013 Rs.95.03 lakhs) for provident fund contributions and Rs.88.34 lakhs (Year ended 31 March, 2013 Rs.76.73 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.	
30.2		Defined benefit plans	
		The Company offers the following employee benefit schemes to its employees:	
		(i) Gratuity (included as part of (b) in Note 25 Employee benefits expense)	
		(ii) Long-term compensated absences (included as part of (a) in Note 25 Employee benefits expense)	
		The following table sets out the funded status of gratuity and the amount recognised in the financial statements:	
Particulars		Rs in lakhs	
		As at	As at
		31 March,2014	31 March,2013
Components of employer expense			
	Current service cost	18.44	14.88
	Interest cost	17.47	15.79
	Expected return on plan assets	(13.90)	(12.88)
	Actuarial losses/(gains)	1.44	8.82
	Total expense recognised in the Statement of Profit and Loss	23.45	26.61
Actual contribution and benefit payments for year			
	Actual benefit payments	7.25	26.90
	Actual contributions	-	12.77
Net asset / (liability) recognised in the Balance Sheet			
	Present value of defined benefit obligations	(233.80)	(202.35)
	Fair value of plan assets	188.46	180.45
	Funded status [Surplus / (Deficit)]	(45.34)	(21.90)
	Unrecognised past service costs	-	-
	Net asset / (liability) recognised in the Balance Sheet	(45.34)	(21.90)

Notes forming part of the financial statements

Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	202.35	184.88
Current service cost	18.44	14.88
Interest cost	17.47	15.79
Actuarial (gains) / losses	2.80	13.70
Benefits paid	(7.25)	(26.90)
Present value of DBO at the end of the year	233.81	202.35
Change in fair value of assets during the year		
Plan assets at the beginning of the year	180.45	176.82
Expected return on plan assets	13.90	12.88
Actual company contributions	-	12.77
Actuarial gains / (loses)	1.36	4.88
Benefits paid	(7.25)	(26.90)
Plan assets at the end of the year	188.46	180.45
Actual return on plan assets	15.26	17.76
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	9.00%	8.10%
Expected return on plan assets	8.00%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The Company is estimated to contribute Rs.45.34 lakhs towards gratuity funds during the next year.

Experience adjustments

	31 March,2014	31 March,2013	31 March,2012	31 March,2011	31 March,2010
(i) Gratuity					
Present value of defined benefit obligations	(233.80)	202.35	184.88	176.37	120.11
Fair value of plan assets	188.46	180.45	176.82	160.28	98.49
Funded status [Surplus / (Deficit)]	(45.34)	(21.90)	(8.06)	(16.09)	(21.62)
Experience gain / (loss) adjustments on plan liabilities	21.55	5.74	1.04	1.30	48.62
Experience gain / (loss) adjustments on plan assets	1.36	4.88	(8.55)	(2.12)	0.29

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

(ii) Compensated absences

	As at 31 March,2014	As at 31 March,2014
Charge in the Statement of Profit and Loss	60.79	57.42
Liability as at the year end	208.89	170.63

Notes forming part of the financial statements

Note 31 Disclosures under Accounting Standards

Related party transactions

Details of related parties:

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

Rs in lakhs

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March,2014

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Purchase of fixed assets						
Coretec Engineering India Pvt Ltd.	64.85 (116.52)	-	-	-	-	64.85 (116.52)
Yuflow Engineering Pvt Ltd.	12.90 (3.92)	-	-	-	-	12.90 (3.92)
Kolben Hydraulics Ltd.	-	-	-	-	-	-
Sai India Ltd.	-	(0.81)	-	-	-	(0.81)
	-	0.72	-	-	-	0.72
	-	-	-	-	-	(-)
Purchase of goods and services received						
Coretec Engineering India Pvt Ltd.	799.61 (633.04)	-	-	-	-	799.61 (633.04)
Yuflow Engineering Pvt Ltd.	787.07 (557.47)	-	-	-	-	787.07 (557.47)
Yuken Kogyo Co Ltd.	-	-	-	-	1,128.93 (908.13)	1,128.93 (908.13)
Sai India Ltd.	-	14.52 (4.61)	-	-	-	14.52 (4.61)
Kolben Hydraulics Ltd.	-	43.93 (21.53)	-	-	-	43.93 (21.53)
Bourton Consulting (India) Pvt Ltd.	-	-	-	-	-	-
	-	(3.93)	-	-	-	(3.93)
Sale of fixed assets						
Yuflow Engineering Pvt Ltd.	1.99 (1.81)	-	-	-	-	1.99 (1.81)
Coretec Engineering India Pvt Ltd.	2.15 -	-	-	-	-	2.15 -
Sai India Ltd.	-	11.98	-	-	-	11.98
	-	-	-	-	-	-
Sale of goods and services						
Coretec Engineering India Pvt Ltd.	1.20 (1.19)	-	-	-	-	1.20 (1.19)
Yuflow Engineering Pvt Ltd.	35.72 (35.57)	-	-	-	-	35.72 (35.57)
Yuken Kogyo Co Ltd.	-	-	-	-	21.95 (95.18)	21.95 (95.18)
Kolben Hydraulics Ltd.	-	4.94 (2.02)	-	-	-	4.94 (2.02)
Sai India Ltd.	-	25.33 (37.31)	-	-	-	25.33 (37.31)
Dividend received						
Sai India Ltd.	-	-	-	-	-	-
	-	(18.00)	-	-	-	(18.00)
Dividend paid						
Yuken Kogyo Co Ltd.	-	-	-	-	18.00 (30.00)	18.00 (30.00)
C P Rangachar	-	-	0.32 (0.53)	-	-	0.32 (0.53)
Vidya Rangachar	-	-	-	0.06 (0.10)	-	0.06 (0.10)
Madhuri Rangachar	-	-	-	0.03 (0.05)	-	0.03 (0.05)

Notes forming part of the financial statements

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Investment made in equity shares						
Kolben Hydraulics Ltd.	-	-	-	-	-	-
		(43.71)				(43.71)
Coretec Engineering India Pvt Ltd.	11.14	-	-	-	-	11.14
	-	-	-	-	-	-
Corporate guarantee given						
Yuflow Engineering Pvt Ltd.	-	-	-	-	-	-
	(27.05)	-	-	-	-	(27.05)
Decrease in Corporate guarantee						
Yuflow Engineering Pvt Ltd.	27.05	-	-	-	-	27.05
	-	-	-	-	-	-
Directors remuneration						
Mr. C P Rangachar	-	-	40.86	-	-	40.86
	-	-	(46.96)	-	-	(46.96)
Payment towards expenses						
Mrs. Vidya Rangachar	-	-	-	1.80	-	1.80
	-	-	-	(1.80)	-	(1.80)
Advance towards purchase of goods and services						
Bourton Consulting (India) Pvt Ltd.	-	-	-	-	-	-
	-	(3.93)	-	-	-	(3.93)
Amount outstanding (Receivables)						
Coretec Engineering India Pvt Ltd.	40.77	-	-	-	-	40.77
	(83.28)	-	-	-	-	(83.28)
Yuflow Engineering Pvt Ltd.	105.72	-	-	-	-	105.72
	(116.40)	-	-	-	-	(116.40)
Yuken Kogyo Co Ltd.	-	-	-	-	7.02	7.02
	-	-	-	-	(4.81)	(4.81)
Sai India Ltd.	-	25.67	-	-	-	25.67
	-	(35.38)	-	-	-	(35.38)
Kolben Hydraulics Ltd.	-	27.14	-	-	-	27.14
	-	(34.33)	-	-	-	(34.33)
Amount outstanding (Payables)						
Coretec Engineering India Pvt Ltd	104.79	-	-	-	-	104.79
	(69.42)	-	-	-	-	(69.42)
Yuken Kogyo Co Ltd.	-	-	-	-	623.74	623.74
	-	-	-	-	(402.81)	(402.81)
Bourton Consulting (India) Pvt Ltd	-	-	-	-	-	-
	-	(4.44)	-	-	-	(4.44)
Sai India Ltd.	-	19.85	-	-	-	19.85
	-	(4.62)	-	-	-	(4.62)
Yuflow Engineering Pvt Ltd.	7.51	-	-	-	-	7.51
	-	-	-	-	-	-
Kolben Hydraulics Ltd.	-	8.88	-	-	-	8.88
	-	-	-	-	-	-
Directors remuneration payable						
Mr C P Rangachar	-	-	4.28	-	-	4.28
	-	-	(4.42)	-	-	(4.42)
Guarantees given						
Coretec Engineering India Pvt Ltd.	184.00	-	-	-	-	184.00
	(184.00)	-	-	-	-	(184.00)
Yuflow Engineering Pvt Ltd.	175.00	-	-	-	-	175.00
	(202.05)	-	-	-	-	(202.05)

Note:

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

Notes forming part of the financial statements

Note 32 to 36 Disclosures under Accounting Standards

32	Segment reporting	The Company's predominant risks and returns are from the segment of Motion, Control and power transmission business, which constituted over 95% of the Company's revenues for the reporting period. Thus the segment revenue, segment result, total carrying amount of segment assets, total amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of expense incurred for depreciation and amortization during the year are all as reflected in the financial statements for the year ended March 31, 2014 and as on that date. Since this being a single business and India the only major geographical segment, constituting over 95% of the company's revenues for the reporting period, the segment information as per Accounting Standard 17, "Segment Reporting", is not required to be disclosed.
33		The Company has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the Statement of Profit and Loss for the year against these agreements is Rs. 103.43 Lakhs (Rs.89.69 Lakhs) which has been grouped under 'Rent' under note 27. There are no contingent rents payable.

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
34	Earnings per share		
	Basic and diluted		
	Net profit for the year from operations attributable to the equity shareholders- Rs. in lakhs	253.74	201.21
	Weighted average number of equity shares- Rs. in lakhs	30.00	30.00
	Par value per share- Rs.	10.00	10.00
	Earnings per share from operations - Basic and diluted-Rs.	8.46	6.71

Rs in lakhs

35	(a) Provision for taxes on income	The Company has book profit u/s 115JB of the Income Tax Act 1961 (the "Act") and the minimum alternate tax (MAT) there on is higher than the tax liability under the normal provisions of the Act. Thus, the provision towards tax liabilities has been made based on MAT. Correspondingly, the Company has also recognised credit for MAT under section 115JAA of the said Act, which is disclosed as MAT credit entitlement in the Statement of Profit and Loss.	
	Particulars	As at 31 March, 2014	As at 31 March, 2013
	(b) Deferred tax (liabilities) / assets		
	Tax effect of items constituting deferred tax liabilities		
	On difference between book balance and tax balance of fixed assets	555.76	528.14
	Tax effect of items constituting deferred tax liability	555.76	528.14
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences and gratuity	82.47	65.73
	Provision for doubtful trade receivables	35.16	29.49
	Others -Unabsorbed depreciation	-	5.77
	Tax effect of items constituting deferred tax assets	117.63	100.99
	Net deferred tax (liabilities) / assets	438.13	427.15

36	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
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Signatures to Notes 1 to 36

For and on behalf of the Board

C P Rangachar
Managing DirectorCAPT.N S Mohanram
DirectorR Srinivasan
DirectorH M Narasinga Rao
Chief Financial Officer

Place: Bangalore

Date: 29th May 2014

Statement Pursuant to section 212 of the Companies Act 1956			
SI No	Name of the Subsidiary Company	YUFLOW ENGINEERING PVT LTD	CORETEC ENGINEERING INDIA PVT LTD
1	Financial Year ending of the Subsidiary	31.03.2014	31.03.2014
2	Number of Shares Held	1,000,000	619,100
3	Extent of Holding	(10,00,000 Equity Shares of Rs. 10/- each fully paid) 100%	(6,19,100 Equity Shares of Rs. 10/- each fully paid) 100%
4	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.6) (Rs. In Lakhs)	Nil	Nil
5	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	(80.71)	19.30
6	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.8) (Rs. In Lakhs)	Nil	Nil
7	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	Nil	Nil

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF YUKEN INDIA LIMITED

1.0 Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of YUKEN INDIA LIMITED (the "Company"), its subsidiaries (the Company, its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditors' Responsibility

- 3.1 Our responsibility is to express an opinion on these consolidated 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
- 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4.0 Opinion

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 the financial statements of the subsidiaries and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

5.0 Other Matter

We did not audit the financial statements of two subsidiaries viz. Yuflow Engineering Private Limited & Coretec Engineering India Private Limited, whose financial statements reflect total assets (net) of Rs.177.91 lakhs as at March31, 2014, total revenues of Rs.1611.48 lakhs and net cash flows amounting to (Rs.5.81 Lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.4.47 lakhs for the year ended March31, 2014, 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

S. Ganesh
Partner
Membership No. 204108

Place: Bangalore
Date : May 29, 2014

Consolidated Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at	As at
		31 March, 2014	31 March, 2013
		Rs. In Lakhs	Rs. In Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	300.00	300.00
(b) Reserves and surplus	4	5,433.15	5,391.48
		5,733.15	5,691.48
2 Minority Interest		-	20.71
3 Non-current liabilities			
(a) Long-term borrowings	5	189.23	474.46
(b) Deferred tax liabilities (net)	36	471.19	448.75
(c) Other long-term liabilities	6	472.61	404.24
(d) Long-term provisions	7	198.70	167.33
		1,331.73	1,494.78
4 Current liabilities			
(a) Short-term borrowings	8	3,169.37	2,702.48
(b) Trade payables	9	3,738.67	2,726.08
(c) Other current liabilities	10	709.82	1,144.84
(d) Short-term provisions	11	93.31	75.88
		7,711.17	6,649.28
TOTAL		14,776.05	13,856.25
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.a	5,486.55	5,704.43
(ii) Intangible assets	12.b	88.93	74.37
(iii) Capital work-in-progress	12	14.33	24.54
		5,589.81	5,803.34
(b) Non-current investments	13	486.53	576.91
(c) Long-term loans and advances	14	154.58	176.66
(d) Other non-current assets	15	2.89	10.65
		6,233.81	6,567.56
2 Goodwill arising on consolidation		35.61	35.61
3 Current assets			
(a) Current investments	16	-	24.41
(b) Inventories	17	2,710.65	2,206.61
(c) Trade receivables	18	5,087.26	4,239.55
(d) Cash and bank balances	19	135.39	144.60
(e) Short-term loans and advances	20	553.16	626.60
(f) Other current assets	21	20.17	11.31
		8,506.63	7,253.08
TOTAL		14,776.05	13,856.25
See accompanying notes forming part of the financial statements	1 - 39		

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

For and on behalf of the Board of Directors

S.Ganesh
Partner

CAPT. N S Mohanram
Director

R Srinivasan
Director

C P Rangachar
Managing Director

Place : Bangalore
Date : 29th May 2014

H M Narasinga Rao
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31 March,2014

	Particulars	Note No.	For the year ended	For the year ended
			31 March 2014	31 March 2013
			Rs. In Lakhs	Rs. In Lakhs
1	Revenue from operations (gross)		18,531.30	17,531.50
	Less : Excise duty		1,895.36	1,799.59
	Revenue from operations (net)	22	16,635.94	15,731.91
2	Other income	23	76.25	121.14
3	Total revenue (1+2)		16,712.19	15,853.05
4	Expenses			
	(a) Cost of materials consumed	24.a	8,085.50	7,659.57
	(b) Purchases of stock-in-trade	24.b	22.66	36.97
	(c) Changes in inventories of finished goods work-in-progress and stock-in-trade	24.c	(327.13)	(16.86)
	(d) Employee benefits expense	25	3,009.73	2,601.26
	(e) Finance costs	26	417.69	516.62
	(f) Depreciation and amortisation expense	12.c	464.17	450.08
	(g) Other expenses	27	4,984.61	4,422.83
	Total expenses		16,657.23	15,670.47
5	Profit before prior period expenses and exceptional item and tax (3 - 4)		54.96	182.58
6	Prior Period Expenses		-	2.85
7	Exceptional item	28	200.59	-
8	Profit before Tax (5 - 6 + 7)		255.55	179.73
9	Tax expense:			
	(a) Current tax expense		78.21	68.15
	(b) MAT credit entitlement		(20.00)	(66.00)
	(c) Short provision for tax relating to prior years		0.08	0.03
	(d) Deferred tax		22.42	109.56
	Net tax expense		80.71	111.74
10	Profit before minority interest/Equity earnings of Associates (8 - 9)		174.84	67.99
11	Less: Minority Interest		-	2.17
	Add: Equity earnings of Associates		(90.44)	14.53
12	Profit for the year		84.40	80.35
13	Earnings per share of Rs.10/- each:			
	Basic and diluted	34	2.81	2.68
	See accompanying notes forming part of the financial statements	1 - 39		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
PartnerCAPT. N S Mohanram
DirectorR Srinivasan
DirectorC P Rangachar
Managing DirectorH M Narasinga Rao
Chief Financial OfficerPlace : Bangalore
Date : 29th May 2014

Consolidated Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs. In lakhs		Rs. In lakhs	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		255.55		179.73
<i>Adjustments for:</i>				
Depreciation and amortisation	464.17		450.08	
Loss on sale of assets	0.82		(4.66)	
Profit on sale of assets	(1.94)		-	
Profit on Sale of Investment	(200.59)		-	
Interest expense	395.29		496.60	
Interest income	(5.44)		(18.21)	
Dividend income	(0.06)		(0.06)	
Liabilities / provisions no longer required written back	(0.12)		(16.12)	
Provision for doubtful trade and other receivables (Net)	21.61		26.88	
Bad trade and other receivables written off	23.59		23.98	
Unrealised exchange difference on translation of foreign currency cash and cash equivalents	(4.00)		4.53	
Net unrealised exchange gain/(loss) on other than cash and cash equivalent	21.23	714.56	(11.83)	951.19
Operating profit / (loss) before working capital changes		970.11		1,130.92
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(504.04)		264.90	
Trade receivables	(898.93)		1,162.12	
Short-term loans and advances	49.44		(347.28)	
Other current assets	(8.27)		(8.97)	
Other non current assets	7.76		18.69	
Long-term loans and advances	(1.58)		(11.11)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	997.39		(557.55)	
Other current liabilities	61.59		(37.70)	
Other long-term liabilities	68.37		(53.54)	
Short-term provisions	12.01		(8.65)	
Long-term provisions	31.37	(184.89)	29.69	450.60
Cash generated from operations		785.22		1,581.52
Net income tax (paid) / refunds		(2.95)		(75.79)
Net cash flow from / (used in) operating activities (A)		782.27		1,505.73
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		(275.73)		(578.53)
Proceeds from sale of fixed assets		27.02		160.79
Purchase of long-term investments - Subsidiary		(11.17)		(24.41)
Purchase of long-term trade investments - associate		-		(43.71)
Advance against sale of investment in equity shares		-		90.00
Proceeds from sale of Investment		135.00		-
(Increase)/Decrease in Short term bank deposits		(55.42)		(3.75)
Interest Income received		4.85		19.31
Dividend received				
- Associates		-		18.00
- Others		-		0.06
Net cash flow from / (used in) investing activities (B)		(175.45)		(362.24)
C. Cash flow from financing activities				
Repayment of long-term borrowings	(685.81)		(65.45)	
Net increase / (decrease) in working capital borrowings	472.38		441.94	
Proceeds/(repayment) from other short-term borrowings	(5.49)		(1,057.54)	
Interest paid	(395.29)		(501.12)	
Dividends and tax there on paid	(52.77)		(86.89)	
Net cash flow from / (used in) financing activities (C)		(666.98)		(1,269.06)
Net increase / (decrease) in Cash and Bank Balances (A+B+C)		(60.16)		(125.57)
Cash and Bank balances at the beginning of the year		128.54		258.64
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(4.00)		(4.53)
Cash and cash equivalents at the end of the year		64.38		128.54
Reconciliation of Cash and cash equivalents with the Balance Sheet				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		64.38		128.54

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
PartnerCAPT. N S Mohanram
DirectorR Srinivasan
DirectorC P Rangachar
Managing DirectorPlace : Bangalore
Date : 29th May 2014H M Narasinga Rao
Chief Financial Officer

Consolidated Notes forming part of the financial statements

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

The consolidated financial statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements" and comply with the relevant provisions of The Companies Act, 1956.

1.02 II) Principles of Consolidation :

The Consolidated financial statements comprise the financial statements of Yuken India Ltd (the Holding Company) and its Subsidiaries and Associates, together referred to as "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Holding Company, i.e. 31st March, 2014.

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

- a. The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated fully.
- b. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus'.
- c. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- d. Investment in Associates has been accounted under the equity method as per Accounting Standard-23 "Accounting for investments in Associates in Consolidated Financial Statements".

1.03 Companies included in Consolidation :

Particulars	Country of Incorporation	Ownership Proportion	
		31.03.2014	31.03.2013
Yuflow Engineering Pvt Ltd	India	100%	100%
Coretec Engineering India Pvt Ltd (Refer note below)	India	100%	77%
Prism Hydraulics Pvt Ltd	India	-	60%
Associate			
SAI India Limited	India	40%	40%
Bourton Consulting (India) Pvt Ltd	India	29%	29%
Kolben Hydraulics Limited	India	48%	48%

Note:

During the year Yuken India Limited acquired the minority interest of 23% in Coretec Engineering India Pvt Ltd and became a wholly owned subsidiary.

2. Significant accounting policies

a. Basis of accounting

The financial statements have been prepared on the accrual concept of accounting under the Historical Cost Convention in accordance with the generally accepted accounting principles (GAAP) and comply with the mandatory Accounting Standards in accordance with the relevant provisions of The Companies Act, 1956.

b. Use of estimates

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

c. Inventories

Inventories are valued as follows

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

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

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

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

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

e. Cash flow statement

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

f. Fixed assets

(i) Tangible fixed assets

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

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

(ii) Intangible fixed assets

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

(iii) Capital work-in-progress

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

g. Depreciation/Amortization**Depreciation**

Depreciation on fixed assets is provided at the rates specified in Schedule XIV to the Companies Act 1956, under the straight-line method. Depreciation on additions during the year is charged on pro-rata basis, based on the date the assets are put to use. Assets costing less than Rs. 5,000/- are fully depreciated in the year of capitalisation.

Amortization

Technical knowhow fee and cost of license and implementation of Enterprise Resource Planning (ERP) software is amortized over the estimated useful life of 5 years.

In Sai India Limited, an associate, depreciation is provided on the written down valued method.

h. Revenue recognition**Sales of goods**

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

Sale of services

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

Interest income and dividend income

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

i. Foreign currency transactions

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

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

j. Investments

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

k. Employee benefits**Short term employee benefits**

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

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

Defined contribution plan :

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

Defined benefit plan :

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

Long-term employee benefits

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

l. Borrowing costs

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

m. Leases

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

n. Earnings per share

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

o. Taxes on income**Current tax:**

Current tax expense is determined in accordance with the provisions of the Income - tax Act, 1961.

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

Deferred tax:

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

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

p. Impairment of assets

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

q. Provisions and contingent liabilities

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

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	6,000,000	600.00	6,000,000	600.00
(b) Issued, subscribed and fully paid up Equity shares of Rs.10 /- each (PY : Rs. 10/- each) with voting rights	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00

Refer notes (i) to (iii) below

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

Particulars	Opening	Closing
Equity shares with voting rights		
As at 31 March, 2014		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00
As at 31 March, 2013		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Yuken Kogyo Co Ltd.	1,200,000	40.00	1,200,000	40.00
- Benefic Investments & Finance Co.P.Ltd.	347,952	11.60	347,952	11.60

(iii) Right, preferences and restrictions attached to shares

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

Notes forming part of the Consolidated financial statements

Note 4 Reserves and surplus

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Capital Reserve		
Arising on account of consolidation of subsidiary	20.73	11.16
Arising on account of investment in associate	20.60	20.60
	41.33	31.76
(b) General Reserve		
Opening balance	579.08	671.58
Add : Additions during the year	13.00	11.00
Less : Adjustment for the year	-	103.50
Closing balance	592.08	579.08
(c) Surplus in Statement of Profit and Loss		
Opening balance	4,780.64	4,753.57
Add : Profit for the year	84.40	80.35
Add : Adjustment on account of consolidation for the year	-	10.02
Less : Dividends proposed to be distributed to equity shareholders (Rs.1.50 per share (PY: Rs.1.50/- per share))	45.00	45.00
Less : Tax on dividend	7.30	7.30
Less : Transferred to general reserve	13.00	11.00
Closing balance	4,799.74	4,780.64
Total	5,433.15	5,391.48

Note 5 Long-term borrowings

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer Note (i) below)	189.23	474.46
Total	189.23	474.46

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

- a. This loan is secured exclusive first charge by hypothecation of company's movable fixed assets acquired out of this loan. The said loan is repayable in quarterly installments of Rs.62.50/- lakhs each with an interest rate of 10.15%.
- b. This loan is secured by hypothecation of the car purchased. The said loan is repayable in monthly installments of Rs.0.12 lakhs each with an interest rate of 13.80%.

Note 6 Other long-term liabilities

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Payable on purchase of fixed assets	11.18	2.83
(b) Trade / Security deposits received	454.89	393.99
(c) Other deposits	6.55	7.42
Total	472.62	404.24

Note 7 Long - term provisions

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Provision for employee benefits:		
(a) Provision for gratuity (Refer Note 30)	18.61	16.36
(b) Provision for compensated absences (Refer Note 30)	175.59	149.33
(c) Others	4.50	1.64
Total	198.70	167.33

Notes forming part of the Consolidated financial statements

Note 8 Short-term borrowings

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) below)	767.66	696.99
Unsecured	2,401.71	2,000.00
	3,169.37	2,696.99
(b) Other short term loans		
From banks		
Unsecured	-	5.49
	-	5.49
Total	3,169.37	2,702.48

Details of security for the secured short-term borrowings

(i) This loan is secured by first pari-passu charge on inventory, receivables and the entire other current assets of the company (both existing and future) and first charge on unencumbered fixed assets.

Note 9 Trade payables

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Trade payables:		
Acceptances	-	20.00
Other than acceptances	3,738.67	2,706.08
Total	3,738.67	2,726.08

Note 10 Other current liabilities

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Current maturities of long-term debt (Refer Note (i) below)	285.95	686.53
(b) Interest accrued but not due on borrowings	-	5.45
(c) Unpaid dividends	8.25	8.72
(d) Other payables		
(i) Statutory remittances	145.26	119.80
(ii) Payable on purchase of fixed assets	25.80	44.92
(iii) Payable towards superannuation	87.56	74.14
(iv) Payable towards defined benefit obligations (net) (Refer Note No 30)	45.34	21.90
(v) Advance from customers	99.81	80.33
(vi) Advance against sale of investment	-	90.00
(vii) Other deposits	9.06	7.48
(viii) Others	2.79	5.57
Total	709.82	1,144.84

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

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Term loans		
From banks		
Secured (Refer note below)	285.95	686.53
Total	285.95	686.53

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

(a) This loan is secured by exclusive first charge by hypothecation of company's movable fixed assets acquired out of this loan and repayable in quarterly installments of Rs.62.50/- Lakhs each with an interest rate of 10.15%.

(b) This loan is secured by hypothecation of the car purchased. The said loan is repayable in monthly installments of Rs.0.12 lakhs each with an interest rate of 13.80%.

(c) This loan is secured by hypothecation of plant and machinery purchased. The above term loan is repayable in 56 monthly installments of varying amounts commencing from April 2011 along with interest @ 14% p.a.

Notes forming part of the Consolidated financial statements

Note 11 Short-term provisions

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Provision for compensated absences (Refer note 30)	33.29	21.28
(b) Provision for Income tax (Net)	7.56	2.15
(c) Provision for fringe benefit tax	0.16	0.15
(d) Provision for proposed dividend	45.00	45.00
(e) Provision for dividend distribution tax	7.30	7.30
Total	93.31	75.88

Note 13 Non-current investments

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Investments - :		
A.Trade		
a) Investment in equity shares of Associates		
360,000 (As at 31.03.2013 : 360,000) Fully paid equity shares of Rs 10/- each of Sai India Ltd	368.86	454.81
437,100 (As at 31.03.2013 : 437,100) Fully paid equity shares of Rs 10/- each of Kolben Hydraulics Ltd (Includes goodwill of Rs.19,41,697/-)	18.70	23.83
	387.56	478.64
b) Investment in equity shares of others		
941,330 (As at 31.03.2013 : 941,330) Fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Pvt Ltd	94.13	94.13
	94.13	94.13
Total - Trade (A)	481.69	572.77
B.Other investments		
a) Investment in equity shares of Associates		
37,300 (As at 31.03.2013 : 37,000) Fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd.	4.34	3.64
	4.34	3.64
b) Investment in equity shares of others		
2,000 (As at 31.03.2013 : 2,000) Fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd.	0.50	0.50
	0.50	0.50
Total - Other investments (B)	4.84	4.14
Total (A+B)	486.53	576.91
Aggregate amount of unquoted investments	486.53	576.91

Note 14 Long-term loans and advances

Unsecured, considered good

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Capital advances	19.70	20.52
(b) Security deposits	123.83	123.06
(c) Loans and advance to employees	8.69	7.13
(d) Prepaid expenses	0.95	1.70
(e) Advance income tax	-	22.84
(f) Other loans and advances	1.41	1.41
Total	154.58	176.66

Note 15 Other non-current assets

Unsecured, considered good

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Others		
Balance held in margin money account (Refer note (i) below)	2.89	10.65
Total	2.89	10.65

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

Notes forming part of the Consolidated financial statements

Note 16 Current investments

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Investments (At cost)- :		
A.Trade		
a) Investment in equity shares of subsidiaries		
Current portion of long- term investments		
Nil (As at 31.03.2013 : 2,250) fully paid equity shares of Rs.100/-each of Prism Hydraulics Pvt. Ltd (refer note below)	-	24.41
Aggregate amount of unquoted investments	-	24.41
Note - During the previous year, the Company has entered in to a joint memorandum of compromise before the Company Law Board dated 4 January,2013 with the minority shareholders of Prism Hydraulics Private Limited, a subsidiary,to transfer its entire investment holding of 60% to the minority shareholders at a consideration of Rs.225 Lakhs on or before 31 December,2013 subject to compliance of certain terms and conditions, which has been realised in full		

Note 17 Inventories

(At lower of cost and net realisable value)

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Raw materials and components	1,393.91	1,223.54
(b) Goods-in-transit - raw material	23.76	32.72
(c) Work-in-progress	813.27	532.68
(d) Finished goods (other than those acquired for trading)	369.84	311.46
(e) Stock-in-trade	18.81	28.26
(f) Loose tools	91.06	77.95
Total	2,710.65	2,206.61

Note 18 Trade receivables

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	470.72	349.23
Doubtful	108.36	86.75
	579.08	435.98
Less: Provision for doubtful trade receivables	108.36	86.75
	470.72	349.23
Other trade receivables		
Unsecured, considered good	4,616.54	3,890.32
	4,616.54	3,890.32
Total	5,087.26	4,239.55

Note 19 Cash and bank balances

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Cash and cash equivalents		
(a) Cash on hand	5.39	2.20
(b) Balances with banks		
In current accounts	12.69	25.22
In EEFC accounts	1.59	50.92
In earmarked accounts		
- In deposit accounts	44.71	50.20
	64.38	128.54
Other bank balances		
- Unpaid dividend accounts	8.25	8.72
- In deposit accounts	62.76	7.34
	71.01	16.06
Total	135.39	144.60

Notes forming part of the Consolidated financial statements

Note 20 Short-term loans and advances

Unsecured considered good unless otherwise stated

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
(a) Security deposits	13.94	16.00
(b) Loans and advances to employees	14.04	10.98
(c) Prepaid expenses	38.77	79.21
(d) Balances with government authorities		
CENVAT credit receivable	89.72	172.85
VAT credit receivable	27.46	26.35
Service Tax credit receivable	32.14	47.12
(e) Advance Income Tax	47.71	91.71
(f) MAT credit entitlement	86.00	66.00
(g) Advance to Suppliers	188.70	94.66
(h) Others	14.69	21.72
Total	553.17	626.60

Note 21 Other current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs. in lakhs	Rs. in lakhs
Interest accrued on deposits	2.93	2.34
Duty drawback receivable	9.30	5.34
Other receivable	7.94	3.63
Total	20.17	11.31

Note 22 Revenue from operations

Sl. No.	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Sale of products	18,419.17	17,421.53
(b)	Less : Excise duty	1,895.37	1,799.59
		16,523.80	15,621.94
(c)	Other operating revenues (Refer Note (i) below)	112.14	109.97
	Total	16,635.94	15,731.91

Note	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. In Lakhs	Rs. In Lakhs
(i)	Other operating revenue comprises :		
	Training and other services rendered	92.95	97.99
	Duty Drawback	12.20	9.96
	Income from power generation	6.99	2.02
	Total	112.14	109.97

Note 23 Other income

Sl. No.	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income	40.62	47.83
(b)	Other non-operating income (Refer Note (i) below)	35.63	73.31
	Total	76.25	121.14

Notes forming part of the Consolidated financial statements

Note	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
(i)	Other non-operating income comprises:		
	a) Liabilities/ provisions no longer required written back	0.12	16.12
	b) Dividend Income others	0.06	0.06
	c) Profit on sale of fixed assets (net)	1.94	6.52
	d) Insurance claim received	0.40	19.44
	e) Miscellaneous income	33.11	31.17
	Total	35.63	73.30

Note 24.a Cost of materials consumed

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Opening stock	1,241.11	1,473.40
(b)	Add : Purchases	8,373.75	7,427.28
		9,614.86	8,900.68
(c)	Less : Closing stock	1,529.36	1,241.11
	Total	8,085.50	7,659.57

Note 24.b Purchases of stock-in-trade

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
	Cartridges	17.92	27.89
	Other Items	4.74	9.08
	Total	22.66	36.97

Note 24.c Changes in inventories of finished goods and work-in-progress

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
	<u>Inventories at the end of the year:</u>		
(a)	Finished goods	330.80	270.16
(b)	Work-in-progress	818.47	542.53
(c)	Stock-in-trade	18.81	28.26
		1,168.08	840.95
	<u>Inventories at the beginning of the year:</u>		
(a)	Finished goods	270.16	274.01
(b)	Work-in-progress	542.53	530.94
(c)	Stock-in-trade	28.26	19.14
		840.95	824.09
	Net (increase) / decrease	(327.13)	(16.86)

Notes forming part of the Consolidated financial statements

Note 25 Employee benefits expense

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Salaries and wages	2,589.10	2,241.20
(b)	Contributions to provident and other funds (Refer Note 30)	229.55	208.67
(c)	Staff welfare expenses	191.08	151.39
	Total	3,009.73	2,601.26

Note 26 Finance costs

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest on borrowings	396.66	470.76
(b)	Interest on dealers deposits and others	20.30	22.54
(c)	Other borrowing cost	0.73	3.90
(d)	Net loss on foreign currency transactions and translation considered as finance costs	-	19.42
	Total	417.69	516.62

Note 27 Other expenses

Sl. No.	Particulars	For the year ended 31 March,2014	For the year ended 31 March,2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Consumption of stores and spare parts	414.76	277.18
(b)	Tools consumed	128.70	96.80
(c)	Consumption of packing materials	204.81	192.74
(d)	Increase / (decrease) of excise duty on inventory	(1.12)	(9.39)
(e)	Subcontracting	1,372.97	1,317.58
(f)	Power and fuel	574.66	421.34
(g)	Rent including lease rentals (Refer Note 34)	119.59	107.37
(h)	Repairs and maintenance - Buildings	76.37	39.19
(i)	Repairs and maintenance - Machinery	264.37	189.04
(j)	Repairs and maintenance - Others	22.86	20.74
(k)	Vehicle maintenance	86.10	72.60
(l)	Insurance	12.46	14.00
(m)	Rates and taxes	86.13	37.93
(n)	Travelling and conveyance	390.87	339.26
(o)	Freight and forwarding	324.01	256.17
(p)	Donations and contributions	0.25	0.11
(q)	Legal and professional	283.78	311.83
(r)	Payments to auditors (Refer Note (i) below)	17.92	16.83
(s)	Bad trade and other receivables written off	23.59	23.98
(t)	Net loss on foreign currency transactions and translation (other than considered as finance	4.64	53.26
(u)	Loss on fixed assets sold	0.82	1.86
(v)	Provision for doubtful trade and other receivables	21.61	26.88
(w)	Miscellaneous expenses	554.46	615.53
	Total	4,984.61	4,422.83

Notes forming part of the Consolidated financial statements

Note	Particulars	For the year ended	For the year ended
		Rs. In Lakhs	Rs. In Lakhs
(i)	Payments to the auditors comprises (net of service tax input credit, where)		
	(a) Holding Company		
	a) For statutory audit	7.75	6.50
	b) For Taxation Matters	1.50	3.90
	c) For Company Law Matters	1.50	1.50
	d) For other services	3.50	2.50
	e) Reimbursement of expenses	0.87	0.03
		15.12	14.43
	(b) Subsidiary Companies		
	a) For statutory audit	1.75	1.45
	b) For Taxation Matters	0.81	0.61
	c) For other services	0.04	0.19
	d) Reimbursement of expenses	0.20	0.15
		2.80	2.40
Total	17.92	16.83	

Note 28 Exceptional items

Note	Particulars	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
		Rs. In Lakhs	Rs. In Lakhs
(a)	Profit on sale of Investments	200.59	-
	Total	200.59	-

Note 29 Additional information to the financial statements

Rs. in lakhs

	Particulars	As at 31 March,	As at 31 March,
		2014	2013
		Rs In lakhs	Rs In lakhs
29.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Bills discounted outstanding as at the year	45.46	155.42
	(b) Claims against the Company not acknowledged as debts-Sales	103.46	21.58
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	9.74	3.38

Notes forming part of the consolidated financial statements

29.2 (i) Outstanding forward exchange contracts entered into by the Company as at 31 March, 2014

Rs. in lakhs			
Currency	Amount	Buy / Sell	Cross currency
USD	Nil (Nil)		Nil (Nil)

Note: Figures in brackets relate to the previous year

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

	As at 31 March, 2014		As at 31 March, 2013	
	Rs. In lakhs	Foreign currency (In Lakhs)	Rs. In lakhs	Foreign currency (In Lakhs)
Trade receivables				
	113.63	USD 2.08	254.81	USD 4.71
	175.44	EUR 2.11	71.28	EUR 1.01
	7.05	JPY 11.91	4.81	JPY 8.44
Other current assets				
	3.64	USD 0.06	1.63	USD 0.03
Trade payables				
	911.78	USD 15.13	554.54	USD 10.25
	41.94	EUR 0.50	33.32	EUR 0.47
	1.47	2.50	-	-
Other current liabilities				
	4.50	USD 0.08	5.99	USD 0.11
EEFC balances				
	1.47	EUR 0.02	43.87	EUR 0.62
	0.12	USD -	7.05	USD 0.13

Note 30 Disclosures under Accounting Standards

30.1 **Employee benefit plans**Defined contribution plan

The Company makes provident fund and superannuation fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.118.02 lakhs (PY: Rs.102.19 lakhs) for provident fund contributions and Rs.88.34 lakhs (PY :Rs.76.73 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

30.2 Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity

(ii) long-term compensated absences

The following table sets out the funded status of gratuity and the amount recognised in the financial statements:

Particulars	Rs in lakhs	
	31 March,2014	31 March,2013
Components of employer expense		
Current service cost	18.44	14.88
Interest cost	17.47	15.79
Expected return on plan assets	(13.90)	(12.88)
Actuarial losses/(gains)	1.44	8.82
Total expense recognised in the Statement of Profit and Loss	23.45	26.61
Actual contribution and benefit payments for year		
Actual benefit payments	7.25	26.90
Actual contributions	-	12.77
Net asset / (liability) recognised in the Balance		
Present value of defined benefit obligations	(233.80)	(202.35)
Fair value of plan assets	188.46	180.45
Funded status [Surplus / (Deficit)]	(45.34)	(21.90)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(45.34)	(21.90)

Notes forming part of the consolidated financial statements

Rs in lakhs

Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	202.35	184.88
Current service cost	18.44	14.88
Interest cost	17.47	15.79
Actuarial (gains) / losses	2.80	13.70
Benefits paid	(7.25)	(26.90)
Present value of DBO at the end of the year	233.81	202.35
Change in fair value of assets during the year		
Plan assets at the beginning of the year	180.45	176.82
Expected return on plan assets	13.90	12.88
Actual company contributions	-	12.77
Actuarial gains / (losses)	1.36	4.88
Benefits paid	(7.25)	(26.90)
Plan assets at the end of the year	188.46	180.45
Actual return on plan assets	15.26	17.76
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	9.00%	8.10%
Expected return on plan assets	8.00%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The Group is expected to contribute Rs.45.34 lakhs towards gratuity funds during the next year.

Experience adjustments

	31 March,2014	31 March,2013	31 March,2012	31 March,2011	31 March,2010
Gratuity					
Present value of defined benefit obligations	(233.80)	202.35	184.88	176.37	120.11
Fair value of plan assets	188.46	180.45	176.82	160.28	98.49
Funded status [Surplus / (Deficit)]	(45.34)	(21.90)	(8.06)	(16.09)	(21.62)
Experience gain / (loss) adjustments on plan liabilities	21.55	5.74	1.04	1.30	48.62
Experience gain / (loss) adjustments on plan assets	1.36	4.88	(8.55)	(2.12)	0.29

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

Compensated absences

	Year ended 31 March, 2014	Year ended 31 March, 2013
Charge in the Statement of Profit and Loss	60.79	57.42
Liability as at the year end	208.89	170.63

Employee benefits of Subsidiary companies

The Consolidated financial statements include Rs. 18.61 lakhs (PY : Rs.16.36 lakhs) towards provision for gratuity and Rs. 0.05 lakhs (PY: Rs.0.31 lakhs) towards provision for compensated absences provided by the subsidiary companies. The subsidiary companies have not provided the disclosures enumerated in AS-15 Employee Benefits, as the same is not material.

Notes forming part of the consolidated financial statements

Note 31 Disclosures under Accounting Standards

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Associates	1.Sai India Ltd. 2.Bourton Consulting (India) Pvt Ltd. 3.Kolben Hydraulics Ltd. (w.e.f 1 October 2012)
Entity having significant influence	Yuken Kogyo Co Ltd
Key Management Personnel (KMP)	1. C P Rangachar - Managing Director 2. P R Vasudevan(till 31st July 2013)
Relatives of KMP	1. Vidya Rangachar- wife of Managing Director 2. Madhuri Rangachar-daughter of Managing Director

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014

Rs in lakhs

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Entity having significant influence	Total
Purchase of fixed assets					
Kolben Hydraulics Ltd.	- (0.81)	-	-	-	- (0.81)
Sai India Ltd.	0.72 -	-	-	-	0.72 -
Purchase of goods and services					
Yuken Kogyo Co Ltd.	-	-	-	1,128.93 (908.13)	1,128.93 (908.13)
Sai India Ltd.	14.52 (4.61)	-	-	-	14.52 (4.61)
Kolben Hydraulics Ltd.	43.93 (21.53)	-	-	-	43.93 (21.53)
Bourton Consulting (India) Pvt Ltd.	- (3.93)	-	-	-	- (3.93)
Sale of Fixed Assets					
Sai India Ltd.	11.98 -	-	-	-	11.98 -
Sale of goods and services					
Yuken Kogyo Co Ltd.	-	-	-	21.95 (95.18)	21.95 (95.18)
Kolben Hydraulics Ltd.	4.94 (2.02)	-	-	-	4.94 (2.02)
Sai India Ltd.	25.33 (37.31)	-	-	-	25.33 (37.31)
Dividend received					
Sai India Ltd.	- (18.00)	-	-	-	- (18.00)
Dividend paid					
Yuken Kogyo Co Ltd.	-	-	-	18.00 (30.00)	18.00 (30.00)
Mr.C P Rangachar	-	0.32 (0.53)	-	-	0.32 (0.53)
Ms.Vidya Rangachar	-	-	0.06 (0.10)	-	0.06 (0.10)
Ms.Madhuri Rangachar	-	-	0.03 (0.05)	-	0.03 (0.05)
Investment made in equity shares					
Kolben Hydraulics Ltd.	- (43.71)	-	-	-	- (43.71)
Directors remuneration					
Mr. C P Rangachar	-	40.86 (46.96)	-	-	40.86 (46.96)
Payment towards expenses					
Mrs. Vidya Rangachar	-	-	1.80 (1.80)	-	1.80 (1.80)

Notes forming part of the consolidated financial statements

Advance towards purchase of goods and services					
Bourton Consulting (India) Pvt Ltd.		-	-	-	-
	(3.93)				(3.93)
Amount outstanding (Receivable)					
Yuken Kogyo Co Ltd.		-	-	7.02	7.02
				(4.81)	(4.81)
Sai India Ltd.	25.67	-	-	-	25.67
	(35.38)	-	-	-	(35.38)
Kolben Hydraulics Ltd.	27.14	-	-	-	27.14
	(34.33)	-	-	-	(34.33)
Amount outstanding (Payable)					
Yuken Kogyo Co Ltd.		-	-	623.74	623.74
				(402.81)	(402.81)
Bourton Consulting (India) Pvt Ltd.		-	-	-	-
	(4.44)	-	-	-	(4.44)
Sai India Ltd.	19.85	-	-	-	19.85
	(4.62)	-	-	-	(4.62)
Kolben Hydraulics Ltd.	8.88	-	-	-	8.88
	-	-	-	-	-
Directors remuneration (Payable)					
Mr C P Rangachar		-	4.28	-	4.28
			(4.42)	-	(4.42)

Note:

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

Note 32 to 39 Disclosures under Accounting Standards

32	Segment Report			
	The company's predominant risks and returns are from the segment of Motion, Control and power transmission business, which constitute over 95% of the Company's revenues for the reporting period. Thus, the segment revenue, segment result, total carrying amount of segment assets, total amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of expense incurred for depreciation and amortization during the year are all as reflected in the financial statements for the year ended 31 March, 2014 and as on that date. Since this being a single business and India the only major geographical segment, constituting over 95% of the Company's revenues for the reporting period, the segment information as per Accounting Standard 17, "Segment Reporting", is not required to be disclosed.			
33	Leases			
	The Company has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the Statement of Profit and Loss for the year against these agreements is Rs.119.59 lakhs (PY: Rs.107.37 lakhs) which has been grouped under 'Rent including lease rentals' under note - 27. There are no contingent rents payable.			
34	Earnings per share			
	Basic and diluted			
	Net profit for the year from operations attributable to the equity shareholders- Rs.in lakhs	84.40		80.35
	Weighted average number of equity shares- Rs.in lakhs	30.00		30.00
	Par value per share-in Rs.	10.00		10.00
	Earnings per share from Operations - Basic and diluted in Rs.	2.81		2.68
35	(a) Provision for taxes on income			
	Provision for income tax has been made on the basis of Minimum Alternative Tax provision under section 115 JB of the Income Tax Act, 1961. Further, the Company has recognised MAT credit of Rs. 20 lakhs in accordance with section 115 JAA of the said Act in the Statement of Profit and Loss.			
	(b)Deferred tax (liability) / asset			
				Rs in lakhs
	Particulars	As at 31 March, 2014		As at 31 March, 2013
	Tax effect of items constituting deferred tax liability			
	On difference between book balance and tax balance of fixed assets	593.55		585.07
	Others	-		-
	Tax effect of items constituting deferred tax liability	593.55		585.07
	Tax effect of items constituting deferred tax assets			
	Provision for compensated absences, gratuity and other employee benefits	84.79		68.61
	Provision for doubtful trade receivables	35.16		29.49
	Unabsorbed depreciation	2.41		38.22
	Tax effect of items constituting deferred tax assets	122.36		136.32
	Net deferred tax (liability) / asset	471.19		448.75

Notes forming part of the consolidated financial statements

36	Details of equity accounted in associates are as follows:				Rs in lakhs	
	Name of the Company	Original Cost of Investment	Goodwill/(Capital Reserve)	Accumulated Profit/(Loss) as at 31.03.2014	Carrying amount of Investment at 31.03.2014	
	Sai India Ltd	20.00	(20.60)	348.87	368.87	
		20.00	(20.60)	434.81	454.81	
	Kolben Hydraulics Ltd	43.71	19.42	(5.59)	18.70	
		43.71	19.42	(0.46)	23.83	
	Bourton Consulting (India) Pvt Ltd	3.73	-	0.61	4.34	
		3.73	-	(0.09)	3.64	
	Total	67.44	(1.18)	343.88	391.90	
		67.44	(1.18)	434.26	482.28	
37	Disclosure of information relating to subsidiary companies (In pursuant to letter from Ministry of Corporate Affairs under sub section 8 of section 212 of the Companies Act, 1956)					
		Rs. In Lakhs				
	Description	Coretec Engineering (India) Pvt Ltd		Yuflow Engineering Pvt Ltd		
		31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	
	Capital	61.96	61.96	100.00	100.00	
	Reserves and surplus	62.67	43.37	(27.42)	53.28	
	Total assets	424.32	419.75	583.03	696.80	
	Total liabilities	424.32	419.75	583.03	696.80	
	Details of investment	-	-	-	-	
	Turnover	679.12	579.02	932.36	816.34	
	Profit before taxation	41.94	7.02	(83.62)	(79.68)	
	Provision for taxation	22.64	(10.49)	(2.91)	(7.53)	
	Profit after tax	19.30	17.51	(80.71)	(72.15)	
	Proposed dividend (Dividend paid)	-	-	-	-	
38	Figures relating to subsidiary companies have been reclassified where ever necessary to bring in line with the holding Company's financial statements.					
39	Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.					
	Signatures to Notes 1 to 39					
	For and on behalf of the Board of Directors					
	C.P.Rangachar Managing Director	CAPT. N S Mohanram Director	R Srinivasan Director			
	H M Narasinga Rao Chief Financial Officer					
	Place: Bangalore					
	Date: 29th May 2014					