

Walker Chandiook & Co LLP

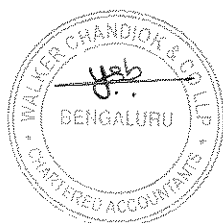
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Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Yuken India Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of Yuken India Limited ('the Company') for the quarter and six months ended 30 September 2017 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2016, including the reconciliation of net profit/(loss) under Indian Accounting Standards (Ind AS) of the corresponding quarter and six months with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



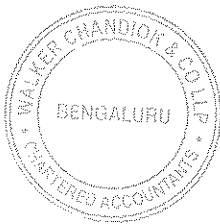
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4. The review of unaudited financial results for the quarter ended 30 June 2017 and for the quarter and six months ended 30 September 2016 included in the Statement was carried out and reported by Deloitte Haskins & Sells (Firm Registration No: 008072S) vide their unmodified review report dated 29 July 2017 and 19 October 2016, respectively, whose review reports have been furnished to us by the management and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not modified in respect of this matter.

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

Sanjay Banthia.
per **Sanjay Banthia**
Partner
Membership No. 061068

Bengaluru
09 November 2017





YUKEN INDIA LIMITED
 Regd. office: No 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore - 560 048, India.
 CIN: L29150KA1976PLC003017
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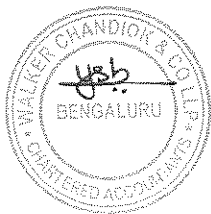


Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30 September 2017

(₹ in lakhs, except per share data)

PART-I Particulars		Quarter ended			Six months ended	
		30 September 2017 Unaudited	30 June 2017 Unaudited	30 September 2016 Unaudited	30 September 2017 Unaudited	30 September 2016 Unaudited
I	Revenue from operations (net) Excise duty (refer note 4)	5,488.78 -	4,628.69 541.65	5,604.65 628.24	10,117.47 541.65	10,083.99 1,144.08
II	Revenue from operations	5,488.78	5,170.34	6,232.89	10,659.12	11,228.07
III	Other income	59.97	61.86	44.31	121.83	68.93
IV	Total revenue (II + III)	5,548.75	5,232.20	6,277.20	10,780.95	11,297.00
V	EXPENSES					
	(a) Cost of materials consumed	2,855.68	2,400.32	2,549.34	5,256.00	4,581.93
	(b) Purchases of stock-in-trade	306.83	127.96	212.68	434.79	391.12
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(269.98)	(88.34)	(65.40)	(358.32)	(143.61)
	(d) Excise duty on sale of products	-	541.65	628.24	541.65	1,144.08
	(e) Employee benefits expense	816.52	728.87	793.14	1,545.39	1,554.11
	(f) Finance costs	151.46	158.23	146.17	309.69	283.79
	(g) Depreciation and amortisation expense	76.47	73.70	118.58	150.17	233.82
	(h) Other expenses (refer note 6)	1,263.53	1,188.83	1,744.61	2,450.36	3,263.57
	Total expenses (V)	5,200.51	5,129.22	6,127.36	10,329.73	11,308.81
VI	Profit / (loss) before exceptional items and tax (IV - V)	348.24	102.98	149.84	451.22	(11.81)
VII	Exceptional items (refer note 5)	-	-	91.56	-	183.13
VIII	Profit / (loss) before tax (VI - VII)	348.24	102.98	58.28	451.22	(194.94)
IX	Tax expense					
	(a) Current tax	124.70	25.74	2.25	150.44	2.25
	(b) Deferred tax	(3.07)	1.83	16.73	(1.24)	(62.50)
	Total tax expense	121.63	27.57	18.98	149.20	(60.25)
X	Profit / (loss) after tax from operations (VIII - IX)	226.61	75.41	39.30	302.02	(134.69)
	Net profit for the period from continuing operations (refer note 8)	226.61	75.41	134.88	302.02	86.61
	Net loss for the period from discontinuing operations (refer note 8)	-	-	(95.58)	-	(221.30)
XI	Other comprehensive income net of tax	-	-	-	-	-
XII	Total comprehensive income for the period (X+XI)	226.61	75.41	39.30	302.02	(134.69)
XIII	Earnings per equity share :					
	Continuing operations:					
	(a) Basic	7.55	2.51	4.50	10.07	2.89
	(b) Diluted	7.55	2.51	4.50	10.07	2.89
	Discontinuing operations:					
	(a) Basic	-	-	(3.19)	-	(7.38)
	(b) Diluted	-	-	(3.19)	-	(7.38)

L. S. Sanyal





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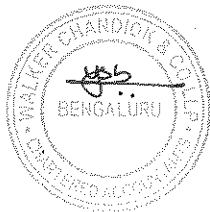


PART - II

Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	
	30 September 2017	
	Unaudited	
Assets		
Non-current assets		
(a) Property, plant and equipment		5,662.30
(b) Capital work-in-progress		142.15
(c) Other intangible assets		58.35
(d) Financial assets		946.42
(i) Investments		393.79
(ii) Loans		35.20
(iii) Bank balances		31.30
(iv) Other financial assets		176.57
(e) Non current tax assets (net)		126.27
(f) Other non-current assets		
Total non-current assets - (I)		7,572.35
Current assets		
(a) Inventories		3,859.16
(b) Financial assets		6,207.29
(i) Trade receivables		86.90
(ii) Cash and cash equivalents		13.83
(iii) Bank balances other than (ii) above		278.57
(iv) Loans		88.36
(v) Others		1,499.53
(c) Other current assets		
Total current assets - (II)		12,033.64
Total assets (I + II)		19,605.99
Equity and liabilities		
(a) Equity share capital		300.00
(b) Other equity		5,444.84
Total equity - (I)		5,744.84
Non-current liabilities		
(a) Financial liabilities		1,326.95
(i) Borrowings		1,002.39
(ii) Others		29.67
(b) Deferred tax liabilities (net)		
Total non-current liabilities - (II)		2,359.01
Current liabilities		
(a) Financial liabilities		4,619.76
(i) Borrowings		4,713.13
(ii) Trade payables		1,194.80
(iii) Other financial liabilities		503.66
(b) Provisions		150.44
(c) Current tax liabilities		320.35
(d) Other current liabilities		
Total current liabilities - (III)		11,502.14
Total equity and liabilities (I + II + III)		19,605.99



R. S. Hanayachar

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**Notes**

- The financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 09 November 2017.
- These financial results have been prepared in accordance with India Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Listing Regulations, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016. The Company has opted to avail the relaxation provided by securities and Exchange Board of India (SEBI) in respect of disclosure requirements regarding the comparative figures for previous year ended 31 March 2017.
- The statutory auditors of the Company have carried out the limited review of these financial results for the quarter and six months ended 30 September 2017. Ind AS compliant financial results, pertaining to the corresponding quarter and six months ended 30 September 2016 has not been subject to limited review or audit. Management has carried out necessary due diligence to ensure that such financial results provide a true and fair view of its affairs for comparison purpose.
- In accordance with Ind-AS 18, Revenue, revenue from operations for quarter ended 30 September 2017 does not include GST(Goods and Service Tax), however, revenue from operations till period ended 30 June 2017 and comparative periods is gross of excise duty.
- The exceptional items for the quarter (₹ 91.56 lakhs) and six months (₹ 183.13 lakhs) ended 30 September 2016 respectively is with respect to additional depreciation, due to change in the estimated useful life of buildings on account of relocation of existing plant to Malur-Hosur Road, Malur, Kolar district.
- During the quarter ended 30 September 2016, the Company initiated the relocating of the manufacturing facilities of hydraulic components and power packs to the newly developed plant at Malur. Although the relocation was undertaken in phases to reduce the disruption in production and sales, the Company has incurred and recorded non-recurring expenses amounting to ₹ 114.97 lakhs on account of relocation of existing plant, including managing two facilities simultaneously, for the quarter and six months ended 30 September 2016.
- The reconciliation of net profit/(loss) as previously reported (referred to as 'Previous GAAP') as per Ind AS for the quarter and six months ended 30 September 2016 respectively is as per table below:

Particulars	Quarter ended		Six months ended	
	30 September 2016		30 September 2016	
	Unaudited		Unaudited	
Net profit/(loss) as per Previous GAAP	42.32		(134.85)	
Ind AS adjustments:				
i) Reversal of loss recognised on forward contract as per AS-11	-		1.90	
ii) Reversal of gain on mark to market valuation of forward contracts	(2.94)		(1.66)	
iii) Deferred tax impact on above adjustments	(0.08)		(0.08)	
Sub total	(3.02)		0.16	
Net profit/(loss) as per Ind-AS	39.30		(134.69)	

- Consequent to the approvals received from the Board of Directors on 21 September 2016, the Company had executed a Business Transfer Agreement during the year ended 31 March 2017 and has sold/transferred the business operations of its foundry division (effective from 1 October 2016) on a going concern basis by way of slump sale to Grotak Enterprises Private Limited, a 100 percent subsidiary of the Company.

Particulars	Quarter ended			Six months ended		
	30 September 2016			30 September 2016		
	Discontinued operations	Continuing operations	Total	Discontinued operations	Continuing operations	Total
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(a) Total revenue	1,118.15	5,159.05	6,277.20	2,162.36	9,134.64	11,297.00
(b) Total expenses (including exceptional items)	1,213.73	5,005.19	6,218.92	2,383.66	9,108.28	11,491.94
(Loss)/Profit before tax [(a) - (b)]	(95.58)	153.86	58.28	(221.30)	26.36	(194.94)
Tax expense:						
(a) Current tax	-	2.25	2.25	-	2.25	2.25
(b) Deferred tax	-	16.73	16.73	-	(62.50)	(62.50)
(Loss)/Profit before tax	(95.58)	134.88	39.30	(221.30)	86.61	(134.69)

- Prior period figures have been regrouped/reclassified wherever necessary, to conform to the current periods' presentation.



L. S. Rangaswamy

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Unaudited standalone segment-wise revenue, results, assets and liabilities for the quarter and six months ended 30 September 2017

(₹ in lakhs)

Particulars	Quarter ended			Six months ended	
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Segment revenue					
(a) Hydraulic	5,511.45	4,651.96	4,895.94	10,163.41	8,659.47
(b) Others (refer note 4)	-	-	1,038.08	-	1,999.26
Total segment revenue	5,511.45	4,651.96	5,934.02	10,163.41	10,658.73
Less: Inter segment revenue	-	-	287.56	-	531.08
Add: Excise duty	-	541.65	628.24	541.65	1,144.07
Net segment revenue	5,511.45	5,193.61	6,274.70	10,705.06	11,271.72
Other income	37.30	38.59	2.50	75.89	25.28
Total revenue	5,548.75	5,232.20	6,277.20	10,780.95	11,297.00
Segment results (profit before tax and interest from ordinary activities):					
(a) Hydraulic	998.93	681.65	710.78	1,620.58	1,132.55
(b) Others (refer note 4)	-	-	(88.19)	-	(213.91)
Total segment results	998.93	681.65	622.59	1,620.58	918.64
Less: Finance costs	151.46	158.23	146.17	309.69	283.79
Less: Other unallocable expense net of unallocable income	439.23	420.44	418.14	859.67	829.79
Total profit/(loss) before tax expense	348.24	102.98	58.28	451.22	(194.94)

Notes on segment information:

- The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Managing Director of the Company evaluates the segments based on their revenue growth and operating income.
- Assets and liabilities used in the Company's hydraulic business are not identified to any of the operating segments, as they can be used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.
- Segment revenue and segment results represent amounts identifiable to each of the segments. Segment revenue includes revenue from operations, other operating income and other income. Other "unallocable expense net of unallocable income" mainly includes interest income and expenses on common services not directly identifiable to individual segments and corporate expenses on common services not directly identifiable to individual segments and corporate expenses.
- Figures for the quarter ended and six months ended 30 September 2016 are in respect of business operations of the foundry division. Consequent to the approvals received from the Board of Directors on 21 September 2016, the Company had executed a Business Transfer Agreement during the year ended 31 March 2017 and has sold/transferred the business operations of its foundry division (effective from 1 October 2016) on a going concern basis by way of slump sale to Grotek Enterprises Private Limited, a 100 percent subsidiary of the Company.
- Prior period figures have been regrouped/ reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
Date: 09 November 2017

By the Order of the Board of the Directors

CP Rangachar
CP Rangachar
Managing Director

