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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 financial results ("Statement") of Yuken India Limited ("the Company") for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Engagements (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 prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) 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 Company had prepared separate financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 in terms of the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with applicable accounting standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other accounting principles generally accepted in India. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors, Deloitte Haskins & Sells, who had issued an unmodified report dated 4 February 2017 on such financial results. These financial results have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been reviewed by us in respect of financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016. Our report is not modified in respect of this matter.
5. The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement, in accordance with the SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016. Hence, the Statement does not include the comparative financial information for the aforementioned period.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay V Singh

per **Vjay Vikram Singh**

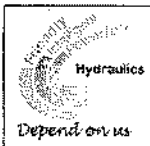
Partner

Membership No. 059139



Bengaluru

12 February 2018



YUKEN INDIA LIMITED

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CIN: L29150KA1976PLC003017

Website: www.yukenindia.com



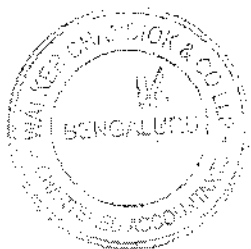
Statement of Standalone Unaudited Financial Results for the quarter and Nine months ended 31 December 2017

(₹ in lakhs, except per share data)

Particulars	Quarter ended			Nine months ended	
	31 December 2017	30 September 2017	31 December 2016	31 December 2017	31 December 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I Revenue from operations (net) Excise duty (refer note 4)	6,140.98	5,488.78	4,372.61	16,258.46	14,456.61
II Revenue from operations	6,140.98	5,488.78	4,857.16	16,800.11	16,085.23
III Other income	64.56	59.97	21.73	186.39	90.66
IV Total revenue (II + III)	6,205.54	5,548.75	4,878.88	16,986.50	16,175.89
V EXPENSES					
(a) Cost of materials consumed	2,990.57	2,855.68	2,184.31	8,246.57	6,769.24
(b) Purchases of stock-in-trade	257.62	306.83	262.23	692.41	653.35
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	131.10	(269.96)	(47.34)	(227.22)	(190.96)
(d) Excise duty on sale of products	-	-	484.54	541.65	1,628.82
(e) Employee benefits expense	830.22	616.52	665.02	2,375.61	2,219.13
(f) Finance costs	174.56	151.46	149.99	484.25	433.77
(g) Depreciation and amortisation expense	80.79	76.47	73.54	230.96	307.36
(h) Other expenses (refer note 6)	1,344.49	1,263.53	1,180.89	3,794.84	4,444.47
Total expenses (V)	5,809.35	5,200.51	4,953.18	18,139.07	16,261.99
VI Profit / (loss) before exceptional items and tax (IV - V)	396.19	348.24	(74.30)	847.43	(86.10)
VII Exceptional items (refer note 5)	-	-	54.27	-	237.39
VIII Profit / (loss) before tax (VI - VII)	396.19	348.24	(128.57)	847.43	(323.49)
IX Tax expense					
(a) Current tax	126.13	124.70	221.07	276.57	223.31
(b) Deferred tax	4.86	(3.07)	(309.59)	3.62	(372.08)
Total tax expense	130.99	121.63	(88.52)	280.19	(148.77)
X Profit / (loss) after tax from operations (VIII - IX)	265.20	226.61	(40.05)	567.24	(174.72)
Net profit for the period from continuing operations (refer note 8)	265.20	226.61	(40.05)	567.24	46.58
Net loss for the period from discontinuing operations (refer note 8)	-	-	-	-	(221.30)
XI Other comprehensive income net of tax	-	-	-	-	-
XII Total comprehensive income for the period (X+XI)	265.20	226.61	(40.05)	567.24	(174.72)
XIII Earnings per equity share (not annualised) :					
Continuing operations:					
(a) Basic	8.84	7.55	(1.34)	18.91	1.55
(b) Diluted	8.84	7.55	(1.34)	18.91	1.55
Discontinuing operations:					
(a) Basic	-	-	-	-	(7.38)
(b) Diluted	-	-	-	-	(7.38)

Notes

- The above results of the Company has been reviewed by the Audit Committee and approved by Board of Directors at their meeting held on 12 February 2018.
- 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 statutory auditors of the Company have carried out the limited review of these financial results for the quarter and nine months ended 31 December 2017. An unmodified opinion has been issued and the same is being filed with the stock exchanges along with the above results. The financial results for the quarter ended 31 December 2016 and nine months results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors. Differences in the accounting principles adopted by the Company on transition to Ind AS have been reviewed by the Statutory Auditors.
- In accordance with Ind-AS 18, revenue from operations for quarter ended 31 December 2017 and 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 (₹ 81.56 lakhs) and nine months (₹ 274.68 lakhs) ended 31 December 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. Also, it includes gain on sale of foundry business to the extent of ₹ 37.29 lakhs for the quarter ended 31 December, 2016.
- The company initiated the relocating of the manufacturing facilities of Valves, Pumps and Power Units to the newly developed plant at Malur from September 2016. The activity is undertaken in phases to reduce the disruption in production and sales. Other expenses include onetime charge of ₹ 33.55 lakhs for the quarter and ₹ 148.52 lakhs upto 31 December 2017 on account of relocation of existing plant to Malur-Hosur road, Malur, Kolar district.



Notes (Cont'd)

7 The reconciliation of net loss as previously reported (referred to as 'previous GAAP') and the total comprehensive loss as per Ind AS for the quarter and nine months ended 31 December 2016 respectively is as per table below:

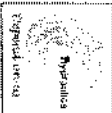
Particulars	Reconciliation of Statement of Profit or Loss reported under [GAAP to Ind-AS] (₹ in lakhs)		
	Quarter ended		Nine months ended
	31 December 2016	Unaudited	31 December 2016
Net (loss)/profit as per Previous GAAP	(40.05)		(174.88)
Ind AS adjustments:			
i) Reversal of loss recognised on forward contract as per AS-11	-		1.90
ii) Reversal of gain on mark to market valuation of forward contracts	-		(1.66)
iii) Deferred tax impact on above adjustments	-		(0.08)
Sub total	-		0.16
Net Profit as per Ind-AS	(40.05)		(174.72)

8 Consequent to the approvals received from 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 Grotlek Enterprises Private Limited, a 100 percent subsidiary of the Company.

Particulars	Quarter ended			Nine months ended		
	31 December 2016		Total	31 December 2016		Total
	Discontinued operations	Continuing operations	Unaudited	Discontinued operations	Continuing operations	Unaudited
Total revenue	-	4,878.88	4,878.88	2,162.36	14,013.53	16,175.89
Less: Total expenses	-	5,007.45	5,007.45	2,383.66	14,115.72	16,499.38
(Loss)/Profit before tax	-	(128.57)	(128.57)	(221.30)	(102.19)	(323.49)
Tax expense:						
(a) Current tax	-	221.07	221.07	-	223.31	223.31
(b) Deferred tax	-	(309.59)	(309.59)	-	(372.08)	(372.08)
(Loss)/Profit before tax	-	(40.05)	(40.05)	(221.30)	46.58	(174.72)

9 The above Statement of Profit and Loss and Balance Sheet is 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.





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Unaudited standalone segment-wise revenue, results, assets and liabilities for the quarter and Nine months ended 31 December 2017

Particulars	Quarter ended			Nine months ended		
	31 December 2017 Unaudited	30 September 2017 Unaudited	31 December 2016 Unaudited	31 December 2017 Unaudited	31 December 2016 Unaudited	31 December 2018 Unaudited
Segment revenue (sales and other operating income)						
(a) Hydraulic Systems	6,107.55	6,531.43	4,393.62	18,337.40	13,053.09	1,990.26
(b) Others	-	-	-	-	-	-
Total segment revenue	6,107.55	6,531.43	4,393.62	18,337.40	13,053.09	1,990.26
Less: Inter segment revenue	-	-	-	-	-	-
Add: Expense GdY	5,187.39	5,511.45	4,841.55	15,873.05	11,428.82	25.09
Net segment revenue	37.55	37.50	0.71	143.45	18.27	18.17
Other revenue	5,205.54	5,548.75	4,873.88	18,228.60	15,175.89	1,972.09
Total revenue	5,243.09	5,586.25	4,874.59	18,472.05	15,194.16	1,990.45
Segment results (Profit before tax and interest from ordinary activities)						
(a) Hydraulic components	1,030.44	828.83	454.44	2,851.03	1,587.39	433.77
(b) Others	174.56	151.46	143.64	484.25	271.91	1,285.22
Total segment results	1,205.00	980.29	598.08	3,335.28	1,859.30	1,718.99
Less: Finance costs	485.89	438.23	433.42	1,319.26	1,285.22	1,285.22
Less: Other tax deductible expense net of unreluctable income	358.19	348.24	1128.57	847.43	1323.49	1323.49
Total (profit/loss) before tax expense	360.92	203.82	32.09	1,168.59	250.61	111.28

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 in 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 overruled.
- 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 unreluctable expense net of unreluctable income mainly includes interest income and expenses on common services not directly identifiable to individual segments and other common expenses on common services not directly identifiable to individual segments and other common expenses on common services not directly identifiable to individual segments.
- During the current year, the Company has only one segment, segment. Figures for the nine months ended 31 December 2018 are in respect of business operations of the Company division, CODM for the segment is not available from the Board of Directors on 31 September 2018. The Company had executed a Business Transfer Agreement during the year ended 31 March 2017 and has transferred the business operations of its former division effective from 1 October 2016 on a going concern basis by way of Stamp sale to Global Enterprises Private Limited, a 100 percent subsidiary of the Company.
- Four periods figures have been regrouped/reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
 Date: 22 February 2018

By the Order of the Board of the Directors
 CP Rangaswami
 Managing Director

