

# INVESTING FOR SUSTAINED GROWTH

Yuken India Limited | Annual Report 2024-25



### Forward-looking statement

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

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# Corporate Information

## Board of Directors

Mr. Tadanori Okada, *Chairman*

Mr. Yoshitake Tanaka

Mrs. Indra Prem Menon

Mr. K Chandrashekhara Sharma

Mr. T Parabrahman

Mr. C P Rangachar, *Managing Director*

## Chief Financial Officer

Mr. H. M. Narasinga Rao

## Company Secretary

Ms. Suchithra R

## Bankers

State Bank of India.

HDFC Bank Ltd.

MUFG Bank Ltd.

Mizuho Bank Ltd.

Sumitomo Mitsui Banking Corporation

## Auditors

M/s. Walker Chandiook and Co., LLP

*Chartered Accountants*

## Registered office

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

## Corporate office & Main plant

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

## Registrar & Transfer Agent

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited),

Unit: Yuken India Limited

Karvy Selenium Tower-B, Plot Nos. 31 & 32, Financial District, Gachibowli,  
Nanakramguda, Serilingampally, Hyderabad 500 008.

Phone: (040) 6716 1509

Toll free number: 1-800-309-4001

E-mail Id: einward.ris@kfintech.com

Website: www.kfintech.com <https://ris.kfintech.com/>

The background of the slide is a dark blue gradient with a faint, white technical drawing or blueprint overlaid on the left side. The drawing includes various lines, circles, and rectangular shapes, typical of an engineering or architectural plan. The text is positioned on the right side of the slide, overlaid on the blue background.

# INVESTING FOR SUSTAINED GROWTH

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India's capital equipment and auto segment encountered a slowdown during the last financial year.

During this environment, most players staggered investments in their businesses and waited for the momentum to regain.

At Yuken India Limited, we continued to invest in our business by improving quality and best practices, increasing the capacities, introducing new product lines, automation of operations and enhancement of productivity.

Beyond the Rs. 60 crores invested by Yuken Kogyo Company Limited (the Parent Company) in FY24, it has further committed an additional Rs. 60 crores in FY25–26 by way of increasing its equity stake in your Company.

All these investments will help the company achieve sustained growth over time.

## **Yuken India Limited is attractively positioned to catalyse and capitalise on India's industrial growth.**

The company possesses decades of engineering experience, servicing core national sectors like infrastructure, automobiles, and consumer-driven industries.

The company is respected for the manufacture of technology-intensive hydraulic equipment, precision components, and support services.

The company has aligned its manufacturing and R&D commitment in line with global standards, strengthening its positioning as a future-facing company.

The company's proprietary casting and machining capabilities empower it to offer integrated, customised solutions for critical applications.

## Our proven track record

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

## Dependable vendor-partner

The company specialises in manufacturing hydraulic components such as pumps, valves, cylinders, accessories, and package systems, which are integral to engineering systems. Its capabilities include advanced manufacturing technologies, state-of-the-art equipment, and robust quality control systems. These strengths enable the company to meet customer needs in industrial and mobile applications across various sectors.

## Our credit rating

The company maintained its BBB+ rating with a Stable outlook rating for long-term bank facilities in FY 2024-25. These factors underscore the robustness of its business model, financial stability, promoter credibility, product excellence, and longstanding stakeholder relationships.

## Our distribution channels

The company comprises an expansive distribution network across India, with over 45 channel partners. In the fiscal year 2024-25, it exported products to 19 countries, including shipments to Yuken Group companies the world over.

## Credible certifications

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

## Our workforce

As of March 31<sup>st</sup>, 2025, the Yuken team consisted of 1300 employees. The workforce possesses diverse talents comprising expertise in engineering, product design, manufacturing, quality

control, finance, sales, service, and regulatory compliance, among other capabilities.

## Our marquee clients

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

## Listing

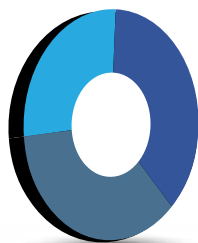
The company's equity shares are traded on the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE). As of March 31<sup>st</sup>, 2025, the company's market capitalisation stood at Rs. 1,039 crore.

## Our potential and abilities

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

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

## Our revenues by product segments, FY 2024-25



- 37%, Valves business
- 36%, Power packs
- 27%, Pumps business

## Our manufacturing capacities (units per annum)

**1,00,000**  
Numbers, pumps

**8,00,000**  
Numbers, valves

**25,000**  
Numbers, power packs

**13,000**  
Tonnes, foundry

## Our subsidiaries and associates

### Our subsidiaries

#### **Grotek Enterprises Private Limited**

(Manufactures precision ferrous castings and tooling for the foundry).

#### **Coretec Engineering India Private Limited**

(Manufactures solenoids, precision ground spools and hydraulic accessories).

#### **Kolben Hydraulics Limited**

(Manufactures hydraulic products for mobile applications in collaboration with global leaders in this segment).

### Our associates

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



# The customers we serve

## Power



ALSTOM



bfl



## Steel



## Machine tools



## Plastics



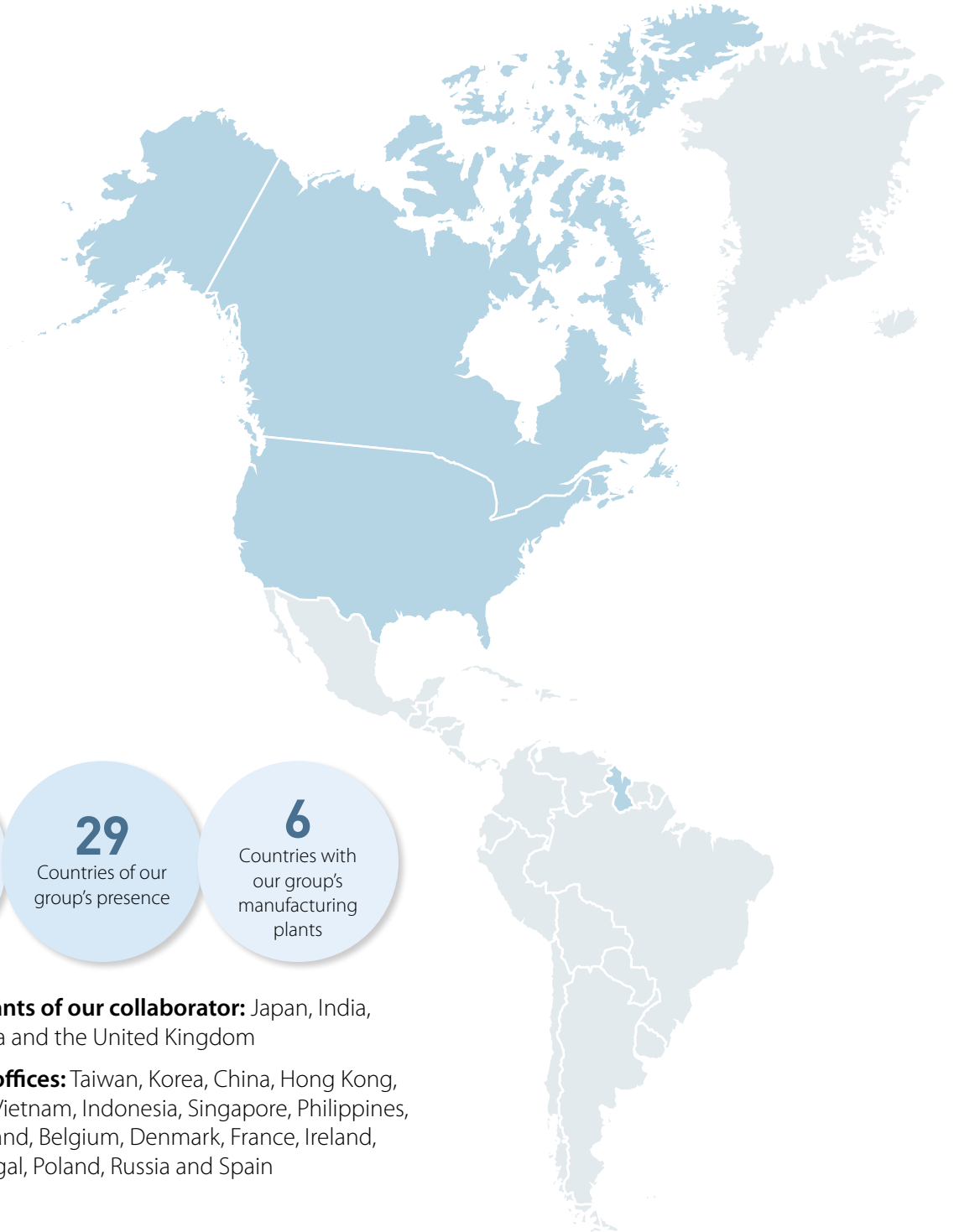
## Mobile



## Others



# Our global footprint



23

Countries with our group's sales and service offices

29

Countries of our group's presence

6

Countries with our group's manufacturing plants

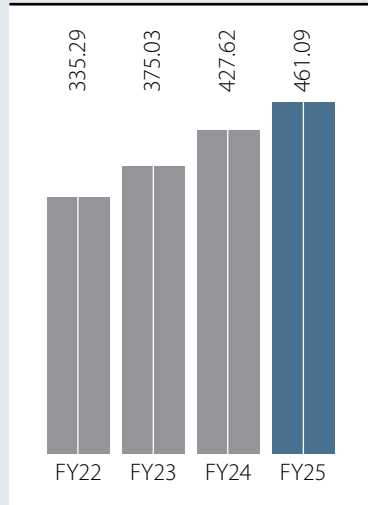
**Manufacturing plants of our collaborator:** Japan, India, Taiwan, Korea, China and the United Kingdom

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



# Our growth performance across the years

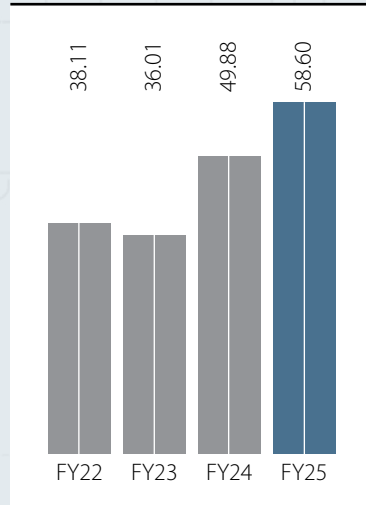
**Revenue** (in Rs. crore)



**Value impact**

The company reported a 7.83% growth in sales revenue to Rs. 461.09 crore.

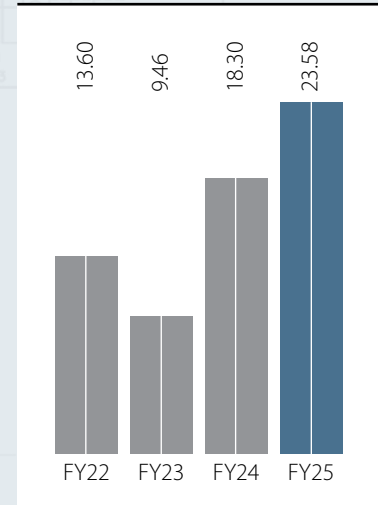
**EBITDA** (in Rs. crore)



**Value impact**

The company reported an EBITDA growth of 17.48% in FY2024-25, following revenue growth and superior operating leverage.

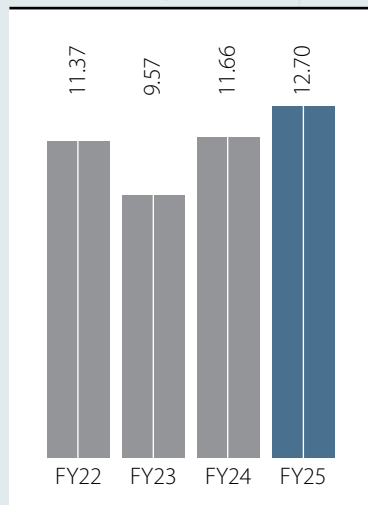
**Net profit** (in Rs. crore)



**Value impact**

The company reported a growth in net profit from Rs. 18.30 crore in FY 2023-24 to Rs. 23.48 crore in FY 2024-25.

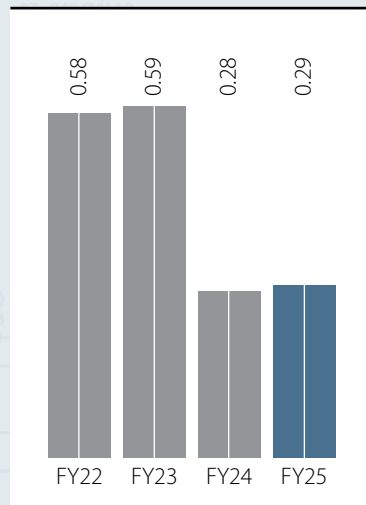
**EBITDA margin** (in %)



**Value impact**

The company reported a 104 bps increase in its EBITDA margin in FY2024-25, on account of improved operating leverage.

**Gearing** (times)



**Value impact**

The company reported a marginally increased gearing ratio, a sign of sustained low borrowing.

# Our growth performance across each quarter of FY 2024-25

	Q1	Q2	Q3	Q4
<b>Revenues</b> (in Rs. crore)				
Standalone	98.85	99.57	95.04	103.47
Consolidated	110.93	116.48	108.08	125.60
<b>EBITDA</b> (in Rs. crore)				
Standalone	8.86	8.59	9.61	10.48
Consolidated	13.89	13.32	14.07	17.32
<b>Profit before tax</b> (in Rs. crore)				
Standalone	4.66	4.00	3.96	5.35
Consolidated	7.58	8.28	6.68	9.13
<b>Profit after tax</b> (in Rs. crore)				
Standalone	3.27	3.05	2.47	4.10
Consolidated	5.24	7.01	4.51	6.82

# The Chairman's perspective

## Overview

The financial performance of your Company during FY 2024-25 remained relatively stable, with no significant fluctuations. Our revenue stood at Rs. 461.09 crore with a net profit of Rs. 23.58 crore reflecting resilience amid sector-wide challenges. While the India's capital goods sector experienced a period of subdued growth, the management remains optimistic that the industry will regain its erstwhile momentum.

## Strategic initiatives and capital infusions

The Japanese parent company reaffirmed its commitment to the company's long-term growth by planning to further increase its stake by 2.38% through a capital infusion of Rs. 60 crore. This is in addition to a prior capital infusion of Rs. 62.90 crore, which increased the company's equity base by 7% up to FY 2025-26. These investments are a part of strategic initiatives to enhance capacities and expand the range of products manufactured in India for the domestic and global markets.

We commenced the manufacture of a complete range of hydraulic products presently manufactured in Japan and other global facilities of Yuken in India, which will significantly enhance our technological capabilities, competitiveness, and value proposition.

## Industry and market outlook

Over recent years, critical industry shifts have emerged: global supply chains are actively diversifying away from China, seeking resilient and proximate partners. India stands to benefit from this transition, leveraging its rich metallurgical and engineering heritage, expanding manufacturing footprint, and sustained economic growth driven by increased capital expenditure across sectors.

## ESG and sustainability

Our commitment to ESG principles has been integral to our business philosophy from inception. We uphold high standards of transparency, corporate governance, ethical business conduct, and stakeholder engagement. Our advanced technologies are designed to help our clients improve resource efficiency, reduce carbon footprints, and adopt sustainable practices. These initiatives not only benefit our environment but also deepen our responsibility towards society.

## Innovation and future-readiness

Your Company has evolved into a knowledge-driven organisation with substantial capacities in R&D and technological innovation. Our ongoing investments in R&D aim to develop next-generation solutions that address

emerging industry needs, such as automation, digitalisation, and eco-friendly manufacturing.

## Operational highlights and outlook

This year, we achieved notable milestones, including launching of Piston pumps made in India. Despite current global and domestic challenges, we are confident that our diversified product portfolio, technological edge, and strategic alliances position us well for sustainable growth.

Our focus remains on enhancing operational efficiencies, expanding into new markets, and deepening our customer relationships. We are committed to continuous innovation, talent development, and maintaining the highest standards of corporate governance.

## Closing remarks

We see ourselves at the threshold of an exciting future—one where our strategic initiatives, technological advancements, and commitment to sustainability will enable us to deepen value creation for all stakeholders. We thank our dedicated employees, trusted partners, and loyal customers for their ongoing support as we forge ahead on this promising journey.

**Tadanori Okada**  
Chairman

# The Managing Director's business review

## Overview

Your Company reported a consolidated performance during the last financial year. Revenues increased 7.83% from Rs. 427 crores to Rs. 461 crores. Your Company reported an EBIDTA of Rs. 58.60 crore in FY 2024-25 compared with Rs. 49.88 crore in the previous year. The company's profit after tax was Rs. 23.58 crore compared with Rs. 18.30 crore in the previous year. The company was able to gain on the operating leverage, whereby the EBIDTA and the net profit margins increased by 100 bps.

The company's muted performance was on account of a visible slowdown in the country's spending on capex and growth in auto segment in single digits. This slowdown was caused by a pullback in government spending that commenced from the last quarter of FY 23 and extended into the first quarter of the last financial year. This pullback was on account of the general elections that transpired in April and May 2024, the results being announced in the first week of June 2024. As per reporting in February 2025, the FY 2024-25 capex fell short of the target of Rs. 11.21 lakh crore by about Rs. 93,000 crore. However, after the elections concluded, the capex momentum resumed.

## Positive prospects

The long-term prospects of the sector appear positive in view of the national economic momentum. The Indian government sustained its infrastructure

outlay in the Union Budget of 2025-26 at around Rs. 11.21 lakh crore (~3.1% of GDP), compared with the FY 2024 25 allocation of approximately Rs. 11.11 lakh crore. The government earmarked Rs. 1.5 lakh crore in 50-year, interest-free loans to States, specifically aimed at enhancing capital expenditure at the State level.

India's auto sector continues to grow, albeit in single digits. Global companies are increasing their outsourcing of engineering components out of India. Government expenditure on defence capex and modernisation are other major growth drivers of the company's prospects.

## Poised to capitalise

Your Company is poised to capitalise. It possesses a complete range of hydraulic products in line with the needs of a growing India. It possesses a relatively under-borrowed Balance Sheet with only Rs. 6.06 crore in long-term debt. It possesses adequate manufacturing capacity, so that any increase in demand from this point will be serviced from existing infrastructure, strengthening capital efficiency. India's downstream demand keeps growing, evident from its gross GST collections for FY 2024 25, which reached Rs. 22.08 lakh crore, a year-on-year increase of 9.4%. This was on account of a higher turnover across sectors, resulting in stronger GST collections.

Your Company's Japanese parent responded to this underlying optimism when it repeated its intention to infuse

Rs. 60 crore of equity into the company. This is expected to enhance its stake by an additional 2.38%. This increased financial infusion will be sustained by a transfer of manufacturing technologies and products to our Company.

The infusion of equity, coupled with a broad-based portfolio allocation from the parent company to ours, is a precursor of the Indian company exporting to the parent's global customers around a favourable price-value proposition. This will help enhance your Company's status as a larger export player with a broadbased presence across a larger number of countries.

We thank all the stakeholders and our employees for their continued faith and contribution to the growth of the company and look forward to a better year.

## C.P. Rangachar

Managing Director

# Yuken: The power behind the practical

## Education

- Recording key points during a lecture
- Using a traditional notebook for writing

*Powered by the hydraulic systems developed by Yuken India*

## Meals and food

- Essential to agricultural productivity
- Land tilled and readied with the help of tractors

*Powered by the hydraulic technology of Yuken India*

## Utilising plastic products

- Plastic has become inseparable from modern daily living
- Everyday items are shaped through injection moulding technology

*Yuken India's hydraulic systems form the core of this production process*

## Utilising electrical infrastructure

- Energy generated at thermal and hydroelectric power plants

*Made possible by Yuken India's reliable hydraulic systems*

## Daily commute

- Whether commuting privately or publicly, vehicles are essential
- Built from strong, durable steel components

*Brought to life by Yuken India's hydraulic innovations*

## Residing at home

- Cement forms the foundation of construction
- Materials delivered through efficient transit mixers

*Enabled by Yuken India's advanced hydraulic systems*

## Workplace environment

- Expansive layouts and soaring high-rises define today's skylines
- Constructed using sophisticated, heavy-duty machinery

*Powered by the precision of Yuken India's hydraulic technology*



# Yuken's Atmanirbhar Bharat story



**90%**

Of revenues were from products manufactured in India, FY 2024-25

## How Yuken is built to capitalise on the Atmanirbhar Bharat opportunity

- Committed R&D efforts focused on product innovation and strengthening domestic manufacturing
- Collaborations with six international partners to bring in advanced technology across product categories
- Strategic backward integration and alliances with SMEs for component production
- End-to-end hydraulic solutions through an extensive range of locally manufactured products
- Strong national footprint with offices, dealers, and service partners across India
- Supporting infrastructure and construction sectors with reliable, homegrown hydraulic components

# At Yuken, we have enhanced our engineering expertise to provide an exceptional customer experience

## Overview

Yuken stands at the forefront of hydraulic innovation, delivering solutions designed specifically for Indian industry needs. Operating manufacturing units across Karnataka, Maharashtra, and Haryana, the company is committed to creating cutting-edge hydraulic technologies that address local challenges and applications.

## Precision-led re-engineering

Yuken has transformed the machine tools landscape by introducing compact, high-speed, and energy-efficient hydraulic systems. Its hydraulic power units (HPUs) are engineered with precision to deliver enhanced performance and long-term value.

## Localised innovation, delivered on time

When a major PSU required localised support for vehicle recovery in challenging terrains like sand and marshes, Yuken responded with focused engineering adaptations. The result: a tailored, reliable solution born from timely localisation efforts.

## Design-first engineering strength

Yuken prioritises intelligent design over material cuts to offer cost-effective hydraulic solutions. A dedicated team of engineering specialists drives innovation across product and applications by focusing on system design, R&D, new product creation, and customised solutions on par with global standards.



## Research matrix

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



## Product matrix

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



## Customer matrix

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



## Solutions matrix

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

# Our value proposition



## Machine tools

Used in tool clamping, fixturing, and metal forming machinery.

## Plastic machinery

Used in moulding machines for manufacturing car dashboards, bumpers, washing machine casings, and more.

## Power generation

Used in windmills, hydroelectric and solar plants.

## Construction machinery

Used in road construction, residential cum commercial concrete machinery, and excavators for earth digging and transportation.

## Defence

Various programmes under the Atmanirbhar Bharat and Make in India initiatives.

Product	Pumps	Valves	Others
Types	<ul style="list-style-type: none"> <li>▪ Vane pumps</li> <li>▪ Piston pumps</li> <li>▪ Gear pumps</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pressure control</li> <li>▪ Direction control</li> <li>▪ Flow control</li> <li>▪ Modular valves</li> <li>▪ Logic valves</li> <li>▪ Proportional valves</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hydraulic power packs</li> <li>▪ Cylinders</li> <li>▪ Castings</li> <li>▪ Filters</li> <li>▪ Accumulators</li> </ul>
Performance	27% revenue share	37% revenue share	36% revenue share
Application segments	Automotive, Agriculture, Cement, Construction equipment, Drill Rigs, Defense, Machine tools, Material handling, Marine, Paper, Presses, Plastics, Railways, Rubber and Steel.		



# Management discussion and analysis

## Global economy

### Overview

Global economic growth declined marginally from 3.3% in 2023 to an estimated 3.2% in 2024. This was marked by a slowdown in global manufacturing, particularly in Europe and parts of Asia coupled with supply chain disruption and weak consumer sentiment. In contrast, the services sector performed more creditably.

The growth in advanced economies remained steady at 1.7% from 2023 to

2024 as the emerging cum developing economies witnessed a growth decline at 4.2% in 2024 (4.4% in 2023).

On the positive side, global inflation was expected to decline from 4.5% in 2024 to 3.5% and 3.2% in 2025 and 2026 respectively. This decline was attributed to the declining impact of erstwhile economic shocks, and labour supply improvements. The monetary policies announced by

governments the world over helped keep inflation in check as well.

The end of the calendar year was marked by the new US government threatening to impose tariffs on countries exporting to the US unless those countries lowered tariffs for the US to export to their countries.

This enhanced global trade and markets uncertainty and is emerging as the largest singular uncertainty for the coming years .

Regional growth (%)	2024	2023
World output	3.2	3.3
Advanced economies	1.7	1.7
Emerging and developing economies	4.2	4.4

(Source: IMF, KPMG, Press Information Bureau, BBC, India Today)

### Outlook

The global economy has entered a period of uncertainty following the imposition of tariffs of products imported into the USA and some countries announcing reciprocal

tariffs on US exports to their countries. This is likely to stagger global economic growth, the full outcome of which cannot be currently estimated. This risk is supplemented by risks related to conflicts, geopolitical tensions, trade restrictions and

climate risks. In view of this, World Bank projected global economic growth at 2.7% for 2025 and 2026, factoring the various economic uncertainties. (Source: IMF, United Nations)

## Indian economy

### Overview

The Indian economy grew at 6.5% in FY 2024-25, compared to a revised 9.2% in FY 2023-24. This represented a four-year low due to a moderate slowdown within the Indian economy (marked by slower manufacturing growth and a decline in net investments). Despite the slowdown, India retained its position as the world's fifth-largest economy.

India's nominal GDP (at current prices) was Rs. 330.68 trillion in FY 2024-25 (Rs. 301.23 trillion in FY 2023-24). The nominal GDP per capita increased from Rs. 2,15,936 in FY 2023-24 to Rs. 2,35,108 in FY 2024-25, reflecting the impact of an economic expansion.

Inflationary pressures eased, with CPI inflation averaging 4.63% in FY 2024-25, driven by moderating food inflation and

stable global commodity prices. Retail inflation at 4.6% in FY 2024-25, was the lowest since the pandemic, catalysing savings creation. India's foreign exchange reserves stood at a high of USD 676 billion as of April 4, 2025.

Gross foreign direct investment (FDI) into India rose 13.6% to USD 81 billion during the last financial year, the fastest pace of expansion since 2019-20.

### Growth of the Indian economy

	FY22	FY23	FY24	FY25
Real GDP growth (%)	8.7	7.2	9.2	6.5

(Source: MoSPI, Financial Express)

The banking sector continued its improvement, with gross non-performing assets (NPA) for scheduled commercial banks (SCBs) declining to 2.6% as of September 2024, down from 2.7% in March 2024.

India's exports of goods and services reached USD 824.9 billion in FY 2024-25, up from USD 778 billion in the previous fiscal year.

India's net GST collections increased 8.6%, totalling Rs. 19.56 lakh crore in FY 2024-25. Gross GST collections in FY 2024-25 stood at Rs. 22.08 lakh crore, a 9.4% increase YoY.

On the supply side, real gross value added (GVA) was estimated to expand 6.4% in FY 2024-25. The industrial sector grew by 6.5%, supported by growth in construction activities, electricity, gas, water supply and other utility services.

India's services sector grew at 8.9% in FY25 (9.0% in FY24), driven by public administration, defence and other services (expanded at 8.8% as in the previous year). In the infrastructure and utilities sector, electricity, gas, water supply and other utility services grew a projected 6.0% in FY25, compared to 8.6% in FY24. Meanwhile, the construction sector expanded at 9.4% in FY25, slowing from 10.4% in the previous year.

Manufacturing activity was subdued in FY25, with growth at 4.5%, which was

lower than 12.3% in FY24. Moreover, due to lower public spending in the early part of the year, government final consumption expenditure (GFCE) is anticipated to have slowed to 3.8% in FY25, compared to 8.1% in FY24.

The agriculture sector grew at 4.6% in 2024-25 (1.4% in 2023-24). Trade, hotel, transport, communication and services related to broadcasting segment were estimated to grow at 6.4% in 2024-25 (6.3% in 2023-24).

From a demand perspective, the private final consumption expenditure (PFCE) exhibited robust growth, achieving 7.2% in FY 2024-25, surpassing the previous financial year's rate of 5.6%.

### Outlook

India is expected to remain the fastest-growing major economy. Initial Reserve Bank of India estimates have forecast India's GDP growth downwards from 6.7% to 6.5% based on risks arising from US tariff levies on India and other countries. The following are some key growth catalysts for India in FY26.

**Tariff-based competitiveness:** India identified at least 10 sectors such as apparel and clothing accessories, chemicals, plastics and rubber where the US' high tariffs give New Delhi a competitive advantage in the American market over other suppliers. While India faced a 10% tariff after the US

suspended the 26% additional duties for 90 days, the levy remained at 145% on China, the biggest exporter to the US. China's share of apparel imports into the US was 25%, compared with India's 3.8%, a large opportunity to address differential (Source: Niti Aayog).

**Union Budget FY 2024-25:** The Union Budget 2025-26 laid a strong foundation for India's economic trajectory, emphasising agriculture, MSMEs, investment, and exports as the four primary growth engines. With a fiscal deficit target of 4.4% of GDP, the government reinforced fiscal prudence while allocating Rs. 11.21 lakh crore for capital expenditure (3.1% of GDP) to drive infrastructure development. The February 2025 Budget marked a shift in approach, with the government proposing substantial personal tax cuts. Economists estimate that the resulting Rs. 1 lakh crore in tax savings could boost consumption by Rs. 3-3.5 lakh crore, potentially increasing the nominal private final consumption expenditure (PFCE) by 1.5-2% of its current Rs. 200 lakh crore.

**Free trade agreement:** In a post-Balance Sheet development, India and the United Kingdom announced a free trade agreement to boost strategic and economic ties. This could lead to a significant increase in the export competitiveness of Indian shipments in the UK across the textiles, toys, leather, marine

products, footwear, and gems & jewellery sectors. About 99% of Indian exports to UK will enjoy zero-duty access tariff cuts; India will cut tariffs on 90% of tariff lines and 85% could become fully duty-free within 10 years.

**Pay Commission impact:** The 8<sup>th</sup> Pay Commission's awards could lead to a significant salary revision for nearly ten million central government employees. Historically, Pay Commissions have granted substantial pay hikes along with generous arrears. For instance, the 7<sup>th</sup> Pay Commission more than tripled its monthly salaries, raising the range from Rs. 7,000 to Rs. 90,000 to Rs. 18,000 to Rs. 12.5 lakh, triggering a widespread ripple effect.

**Monsoons:** The India Meteorological Department predicted an 'above normal' monsoon in 2025. This augurs well for the country's farm sector and a moderated food inflation outlook.

**Easing inflation:** India's consumer price index-based retail inflation in March 2025 eased to 3.34%, the lowest since August 2019, raising hopes of further repo rate cuts by the Reserve Bank of India.

**Deeper rate cuts:** In its February 2025 meeting, the Monetary Policy Committee (MPC) reduced policy rates by 25 basis points, reducing it to 6% in its first meeting of FY 2025-26. Besides, India's CPI inflation is forecasted at 4% for the fiscal year 2025-26.

**Lifting credit restrictions:** In November 2023, the RBI increased risk weights on bank loans to retail borrowers and NBFCs, significantly tightening credit availability. This led to a sharp slowdown in retail credit growth from 20-30% to 9-13% between September 2023 and 2024. However, under its new leadership, the RBI has prioritised restoring credit flow. Recent policy shifts have removed restrictions on consumer credit, postponed higher liquidity requirements for banks, and are expected to rejuvenate retail lending.

(Source: CNBC, Press Information Bureau, Business Standard, Economic Times, World Gold Council, Indian Express, Ministry of External Affairs, Times of India, Business Today, Hindustan Times, Statistics Times)

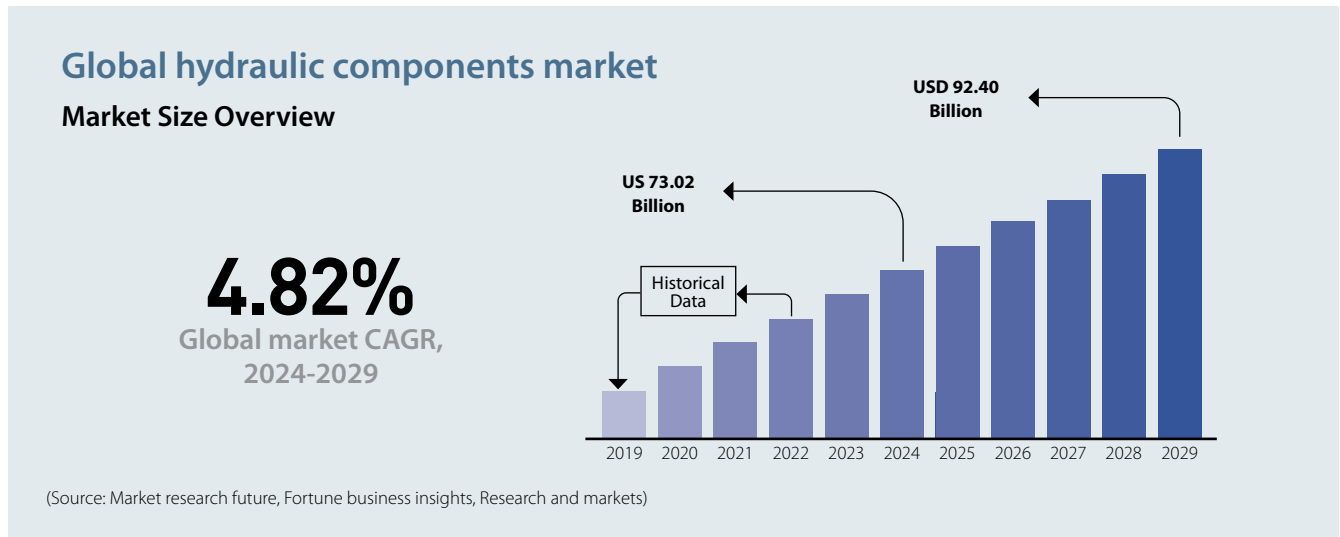
## Global hydraulic components industry overview

The hydraulic equipment market size has grown up significantly in recent years. Key factors driving market expansion include increasing concerns over oil leaks in hydraulic systems and the rising demand for material handling equipment,

particularly in the construction and aviation industries.

The hydraulic components market is segmented by product into pumps, motors, valves, cylinders and others. Among

these, the pumps segment holds the dominant share, driven by their critical role in fluid transfer and power transmission, high demand across multiple industries, ongoing technological advancements and a strong focus on energy efficiency.



## Outlook

The global hydraulic components market is estimated to grow from USD 73 billion in 2024 and to of USD 106.41 billion by 2032. The growing demand for hydraulic components is driven by their

increasing use in the construction and mining industries. Hydraulic equipment is essential for wheel loaders, telehandlers, concrete boom trucks and excavators, among others, promoting their widespread adoption on construction sites. The

numerous advantages and functional benefits of hydraulic components make them a preferred choice across various applications.

(Source: Market data forecast)

## Indian hydraulic components industry overview

India's hydraulics market plays a vital role in industries like construction, agriculture and manufacturing, driven by growing infrastructure projects and the need for efficient machinery. Hydraulic systems, known for their power and reliability, are widely used in excavators, cranes

and injection molding machines. The market includes pumps, motors, cylinders and valves, with demand rising due to expanding industrial applications and a focus on energy efficiency. However, challenges such as technology adoption, sustainability concerns and competition

from alternative motion control technologies pose hurdles. Balancing cost-effective solutions with eco-friendly advancements remains a key industry focus.

(Source: 6Wresearch.com)

## Growth drivers

**Industrial automation:** Hydraulic components are essential in automated machinery and industrial robots due to their high-power density and precise control. Integrating hydraulic systems into production lines and automated manufacturing processes ensures consistent performance, minimises downtime and reduces operational costs. As industries like automotive, aerospace and manufacturing increasingly adopt

automation, the demand for hydraulic components continues to rise.

**India as a manufacturing hub:** India's GDP is expected to reach USD 5 trillion by 2025, with the manufacturing sector contributing 17% of the nation's GDP and employing over 27.3 million workers. To further strengthen this sector, the Indian government aims to increase manufacturing's share of the economy to 25% by 2025 through various programs

and policies. Global MNCs are increasing their sourcing of engineering products from India.

**Foreign direct investments:** In the financial year 2024, the infrastructure industries in India saw a foreign direct investment equity inflow of approximately 4.2 billion U.S. dollars. This was a significant increase compared to the previous years.

(Source: Verified market research, India briefing, IBEF, Statista.com)

## Government initiatives

In the Interim Budget for 2024-25, the capital investment allocation for infrastructure has been raised by 11.1% to Rs. 11.11 lakh crore (USD 133.86 billion), representing 3.4% of GDP.

The government aims to construct 65000 kms of national highways at a cost of USD 67.17 billion. As of January 2024, the length of national highways in the country was 146,145 km.

An outlay of USD 17.30 billion is proposed for the 50-year interest-free loans to states for capital expenditure and incentives for reforms.

In 2024, India signed Bilateral Investment Treaties (BIT) with two countries, as proposed in the Interim Budget. To attract sustained foreign investment and promote the 'first develop India' approach, the current model BIT will be revamped to be more investor-friendly.

An Urban Infrastructure Development Fund (UIDF) aims to supplement efforts of the State Governments/UTs for urban infrastructure development work implemented through public and state agencies, Municipal Corporations, Urban Local Bodies in Tier-2 and Tier-3 cities by providing a stable and predictable source of financing.

(Source: IBEF, nhb.org.in)

## Opportunities

Yuken India is well-positioned to capitalise on the growing opportunities in the hydraulics industry by leveraging its strengths.

A recognised and trusted brand.

A diverse range of products that cater to various client needs.

High service standards and quick delivery times.

Competitively priced products that adhere to international standards.

Ongoing investments in research to enhance product development capabilities.

A significant market share and long-lasting customer relationships.

## Threats

Increasing cost of inputs.

Evolving consumer preferences and tastes.

Rising costs associated with technology upgrades.

An ongoing demand for new product development and innovation.

A fluctuating foreign exchange market.

Growing competition in the international market.

Rising competition in the domestic market.

Environmental threats.

## Financial review (consolidated)

Gross revenues increased by 7.83% to Rs. 461.09 crore during FY2024-25 as compared to Rs. 427.62 crore during FY2023-24.

Operating profit EBITDA stood at Rs. 58.60 crore in FY2024-25 compared to Rs. 49.88 crore during FY2023-24.

Finance costs increased by 22.96% to Rs. 10.39 crore in FY 2024-25 from Rs. 8.45 crore during FY 2023-24.

Total expenses stood at Rs. 436.31 crore including tax expenses worth Rs. 6.23 crore and deferred tax charge/(benefit) and MAT credit entitlement worth Rs. 83.12 crore.

Profit after tax, including other comprehensive income (OCI), stood at Rs. 23.58 crore as against Rs. 18.30 crore during the previous year.

Net worth stood at Rs. 301.15 crore as on 31<sup>st</sup> March, 2025 compared to Rs. 279.50 crore as on 31<sup>st</sup> March, 2024.

Property, plant and equipment and intangible assets increased by 25.28% to Rs. 232.68 crore during FY 2024-25 from Rs. 185.74 crore during FY 2023-24.

Capital work-in-progress for the year decreased to Rs. 12.78 crore during FY 2024- 25 as compared to Rs. 19.75 crore during FY 2023-24.

Cash and cash equivalents stood at Rs. 2.07 crore as on 31<sup>st</sup> March, 2025 compared to Rs. 10.18 crore as on 31<sup>st</sup> March, 2024.

## Key financial ratios

Particulars	2025	2024
EBITDA/turnover (%)	12.81	11.66
Net profit/turnover (%)	5.11	4.28
Debt-equity ratio	0.29	0.28
Current ratio	1.16	1.32
Interest coverage ratio	3.98	4.11
Inventory / Cost of goods sold turnover (times)	2.33	2.39
Debtors (number of days)	94	102
Return on net worth (%)	8.51	7.03
Book value per share (Rs.)	231.67	219.11
Earnings per share (Rs.)	18.94	14.75

## Human resources

The company considers its people to be its most valuable competitive advantage. Our employees, with their broad multisectoral experience, technical expertise and industry knowledge, are key to our success.

Our HR culture challenges conventional practices to enhance our competitiveness. By making decisions that align with both employees' professional and personal aspirations, the company promotes an ideal

work-life balance and instills a deep sense of pride in being a part of the organisation. As of March 31, 2025, the company had 1,300 employees.

## Risk management

**Competitive risk:** Increasing competition could potentially lead to reduced revenues and profit margins.

**Mitigation:** The company provides a variety of products to cater to the diverse needs of its customers. By improving the customer experience through after-sales service and turning its products into complete solutions, the company reduces competition. This strategy has cultivated long-term client relationships, leading to a larger market share.

**Sectoral risk:** The company's growth could be limited if it redirects its focus to underperforming sectors.

**Mitigation:** The company operates across multiple sectors like automobile, power, steel and plastic, ensuring steady profits and reducing the impact of short-term downturns in any one sector. It now seeks to diversify further by exploring renewable energy, defence and marine engineering.

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

**Mitigation:** The company's diverse range of products, sectors and geographic presence helps minimise the impact of an economic slowdown.

**Service risk:** Insufficient service delivery by the company may lead to equipment downtime, impacting the brand's reputation.

**Mitigation:** The company maintains high product availability nationwide through a network of 52 dealers and has strengthened its service division to reduce equipment downtime.

**Technology risk:** The emergence of new and advanced technologies in the market could decrease demand for Yuken's existing products, potentially impacting the company's operations.

**Mitigation:** The demand for the company's products, such as pumps and valves, has steadily grown over the years.

## Internal control systems and their adequacy

Yuken India builds its organisational culture on transparency and accountability, following corporate governance practices guided by its Code of Conduct and policies that comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015. To handle workplace issues,

Yuken India has a Prevention of Sexual Harassment Policy based on the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013. The Audit Committee oversees internal processes to ensure governance. Additionally, the Committee of the Board

and the company's Constitution ensure that accounting policies and procedures align with Section 177 of the Companies Act of 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015.

# Board's Report

To  
The Members of  
**Yuken India Limited**

Your Directors have pleasure in presenting their 49<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2025.

## 1. FINANCIAL RESULTS:

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

### Financial Highlights:

Rs. In Lakhs

Particulars	Consolidated		Standalone	
	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024
<b>Net Income</b>	<b>46,109.38</b>	<b>42,762.71</b>	<b>39,693.03</b>	<b>37,097.78</b>
Expenditure before interest, depreciation and tax	40,248.89	37,774.92	35,938.05	33,439.04
Profit/(Loss) before interest, depreciation and tax	5,860.49	4,987.79	3,754.98	3,658.74
Finance cost	1,039.89	845.43	711.43	619.07
Depreciation	1,718.81	1,464.34	1,246.65	944.00
<b>Profit/(Loss) Before Tax</b>	<b>3,101.79</b>	<b>2,678.02</b>	<b>1,796.90</b>	<b>2,095.67</b>
Share of Profit/(Loss) of Associates	65.12	18.08	-	-
Exceptional item	-	-	-	-
<b>Profit before tax after exceptional item</b>	<b>3,166.91</b>	<b>2,696.10</b>	<b>1,796.90</b>	<b>2,095.67</b>
Provision for Taxation (Net of deferred tax)	706.75	817.55	412.90	636.38
<b>Profit/(Loss) After Tax</b>	<b>2,460.16</b>	<b>1,878.55</b>	<b>1,384.00</b>	<b>1,459.29</b>
Net Comprehensive Income for the year	(102.35)	(48.37)	(94.39)	(34.21)
<b>Total Comprehensive Income for the year</b>	<b>2,357.81</b>	<b>1,830.18</b>	<b>1,289.61</b>	<b>1,425.08</b>
<b>Total comprehensive income attributable to Controlling interest</b>	<b>2,359.65</b>	<b>1,833.24</b>		
Balance in Statement of profit and loss	19,822.09	18,092.85	19,598.65	18,277.58
<b>Amount available for appropriation</b>	<b>22,181.74</b>	<b>19,926.09</b>	<b>20,888.26</b>	<b>19,702.65</b>
<b>Appropriations:</b>				
Equity Dividend paid	(195)	(104)	(195)	(104)
<b>Balance carried to Balance Sheet</b>	<b>21,986.74</b>	<b>19,822.09</b>	<b>20,693.26</b>	<b>19,598.65</b>

**On Consolidated basis**, the Company has registered net income of Rs. 46,109.38 lakhs as compared to Rs. 42,762.71 lakhs of previous year. The growth is around 7.83 % as compared to the previous year.

**On Standalone basis**, the Company has registered a net income of Rs. 39,693.03 lakhs as compared to Rs. 37,097.78 lakhs of previous year. The growth is around 7 % as compared to the previous year.

## 2. DIVIDEND:

Your Directors recommend payment of a dividend of 15% (Fifteen percent) i.e. Rs. 1.50 (one rupee Fifty paise only) per equity share of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2025, subject to the approval of the members at the ensuing Annual General Meeting.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

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

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

### 3. ANNUAL RETURN:

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

### 4. BOARD MEETINGS HELD DURING THE YEAR:

During the year, 5 (Five) meetings of the Board of Directors and one meeting of Independent Directors were held. The details of the meetings and the details of attendance of Directors in the meetings are furnished in the Corporate Governance Report.

### 5. COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

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

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

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

### 6. REMUNERATION POLICY OF THE COMPANY:

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

As and when need arises for appointment of Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific

requirements. NRC while recommending candidature to the Board, will take into consideration the qualification, attributes, experience and Independence of the Candidate. Director(s) appointment and remuneration will be as per NRC Policy of the Company.

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

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

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

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

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

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

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

#### LOANS:

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

#### INVESTMENTS:

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

## CORPORATE GUARANTEE:

During the year under review, the Company has granted the Corporate Guarantees to its Subsidiary Companies and existing Guarantees are renewed. The details of Guarantees granted and outstanding as on 31<sup>st</sup> March, 2025 are as under.

Rs. in Lakhs

Sl. No.	Particulars	Name of Bank	Current Year	Outstanding Balance as on 31.03.2025
1	Coretec Engineering India Private Limited	HDFC Bank	NIL	750
		Sumitomo Mitsui Banking Corporation	NIL	1,100
2	Grotek Enterprises Private Limited	HDFC Bank	NIL	600
		Sumitomo Mitsui Banking Corporation	1000	3000
3	Kolben Hydraulics Limited	Sumitomo Mitsui Banking Corporation	Nil	200
4	AEPL Grotek Renewable Energy Pvt Ltd	Sumitomo Mitsui Banking Corporation	1500	1500

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

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

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

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

### a. Transfer of Unpaid Dividend:

As required under Section 124 of the Companies Act 2013 read with the investor Education and protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereof ("the Rules"), the unclaimed dividend amount aggregating to Rs. 47,398 /- lying with the Company for a period of 7 (Seven) years pertaining to the financial year ended on 31<sup>st</sup> March, 2017 was transferred during the financial year 2024-25 to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

### b. Transfer of Shares:

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

Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereof ("the Rules"), 370 equity shares of Rs. 10/- each, in respect of which dividend has not been claimed by the members for 7 (Seven) consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund Authority (IEPF) during the financial year 2024-25. Details of shares transferred have been uploaded on the website of IEPF as well as Company.

## 12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit & Loss and other documents of the Subsidiary Companies are not being attached to the Balance Sheet of the Company. The consolidated financial statements presented by the Company includes financial results of its Subsidiary and Associate Companies.

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

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

Rs. In Lakhs

Particulars	Subsidiaries			Associates		
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	Kolben Hydraulics Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.	AEPL Grotek Renewable Energy Private Limited
<b>Total Income</b>						
FY 2024-25	9,455.36	4899.17	1,461.43	3,154.54	-	49.38
FY 2023-24	8,747.24	4,770.42	1,053.68	2,725.17	24.30	7.12

Rs. In Lakhs

Particulars	Subsidiaries			Associates		
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	Kolben Hydraulics Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.	AEPL Grotek Renewable Energy Private Limited
<b>Total expenditure excluding depreciation and finance cost</b>						
FY 2024-25	7,836.58	4535.83	1,474.93	2,696.71	-	46.37
FY 2023-24	7,578.88	4,430.40	1,101.37	2,372.80	18.50	34.71
<b>Profit/(Loss) before interest, depreciation and tax</b>						
FY 2024-25	1,618.78	363.34	(13.5)	457.83	-	3.01
FY 2023-24	1,168.36	340.02	(47.70)	352.37	5.79	(27.59)
<b>Finance cost</b>						
FY 2024-25	212.20	132.24	19.80	109.62	-	-
FY 2023-24	196.72	79.59	0.25	124.51	1.01	-
<b>Depreciation</b>						
FY 2024-25	369.18	213.06	16.92	121.24	-	1.51
FY 2023-24	356.60	147.96	15.77	137.92	2.05	-
<b>Profit/(Loss) before tax and exceptional item</b>						
FY 2024-25	1,037.40	18.04	(50.22)	226.97	-	1.50
FY 2023-24	615.04	112.47	(63.72)	89.94	3.63	(27.59)
<b>Exceptional Item</b>						
FY 2024-25	-	-	-	-	-	-
FY 2023-24	-	-	-	-	-	-
<b>Provision for taxation (Net of deferred tax)</b>						
FY 2024-25	297.03	29.86	(11.04)	66.58	-	-
FY 2023-24	158.39	21.23	1.55	30.97	0.10	-
<b>Other comprehensive income for the year</b>						
FY 2024-25	(5.43)	(2.53)	(39.18)	(1.30)	-	-
FY 2023-24	(10.90)	(3.26)	(65.27)	(1.16)	-	-
<b>Profit/(Loss) after tax(Including other comprehensive income)</b>						
FY 2024-25	734.93	(14.35)	(39.18)	159.09	---	1.50
FY 2023-24	445.75	87.98	(65.27)	57.81	3.62	(27.59)
<b>Earnings per share (in Rs.)</b>						
FY 2024-25	14.78	(0.33)	(1.31)	17.82	-	0.01
FY 2023-24	9.11	2.52	(2.18)	6.55	2.87	(0.26)

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

During the current financial year, the Company divested 13,500 shares on 25 September 2024, reducing its ownership in Bourton Consulting (India) Private Limited to 18.85%. As a result, Bourton Consulting (India) Private Limited no longer qualifies as an associate entity of the Company.

### 13. RELATED PARTY TRANSACTIONS:

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

Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in the Note No. 45 of the Notes forming part of the financial statements in the Annual Report.

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

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

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

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

There is no material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> May 2025 considered the issue of equity shares not exceeding 7,00,000 on preferential basis for consideration in cash to Yuken Kogyo Company Limited, Promoters of the Company at an issue price which shall not be less than floor price computed on relevant date in accordance with Chapter V of SEBI (ICDR) Regulations, 2018.

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

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

#### Conservation of Energy:

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

- Replaced conventional light fixtures with energy efficient LED light fixtures in the plant.
- In order to conserve water, the waterless Urinals have been installed in all restrooms of the main plant.
- Power factor was maintained at 0.99 by identifying and replacing faulty capacitors, increasing the frequency of periodical/preventive maintenance of capacitor banks.
- Installation of Servo Stabilizer in Shop floor and certain office lighting reduced maintenance cost and saving in energy.
- Reduction in total energy footprint through various capital projects ranging from installation of energy efficient pumps, solar street lights in walking area and factory areas, etc.
- Replacement of old age screw compressor having low working efficiency with new air compressor.
- For natural lighting, transparent sheet has been installed in all the plants to reduce energy consumption.
- To reduce the temperature inside the shop floor, various types of plants has been planted vertically on the walls.
- The factory has installed 22 waterless urinals resulting in saving up to 22 lakh liters of water per year.
- Grey water from the Canteen, Toilets across the factory is treated through the STP and this treated water is used for gardening purposes across the factory.
- Initiation of rainwater harvesting projects - Roof water is collected in a 50 Lakh liters tank and used for gardening.
- Solar street lights installed at 10 poles aids in power saving, around 25 to 40 watts for each light.
- Roof top solar panels and heaters are set-up at canteen and washing areas in the plant.
- Photo sensors and movement sensors are installed at multiple locations in the factory thereby reducing power consumption.

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

##### a. Foreign Exchange Earnings:

Rs. in lakhs

Sl. No	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
1	Export Sales	353.37	300.72
2	Other Income	25.23	19.81

**b. Expenditure in Foreign Currency:** Rs. in lakhs

Sl. No	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
1	Brand fee	123.98	124.84
2	Others	92.32	74.73

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

Sl. No	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
1	Dividend	78.30	41.76

**2. Research and Development (R&D):**

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

The Company has developed certain pumps, valves etc., which are energy efficient and as per the customer requirements. The core idea of the Company's investments in R&D is to initiate product upgradations and to develop new products that would give an edge over competitors.

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

- Introduction of indigenized range of Piston pumps into the Indian market. The pumps have already undergone extended period of field testing. We plan to expand this range of pumps to suit various applications inline with our product expansion strategy.
- Several concepts of energy saving hydraulic power units have been designed to suit customer requirements.
- Development of high pressure valves and pumps for steel industries.
- In keeping with the Company's focus on energy saving, sustainable technology and in line with the Company's strength in manufacture of vane pumps, a new line of variable volume of vane pumps, PVV Series is being introduced. Currently most such pumps used in the country are imported. We are confident that our new PVV Series will become the variable volume vane pump of choice in the industry.

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

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

**(c) Future plan of action:**

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

**(d) Expenditure on R&D:**

There is a continuous increase in R&D expenditure as the scope of activities carried out keeps on increasing.

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

- Special models of energy saving pumps and valves have been designed to meet specific needs of customers and these have enabled us to extend our customer base to include a wider range of industries.
- Indigenization is a continuous ongoing effort, the Company is focusing on Make in India concept and Atmanirbhar Bharat Abhiyan introduced by Government of India.

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

- Dependency on imports is minimized / import substitution.
- Reduction of material cost.
- Improvement in Quality and product performance characteristics.
- Ability to innovate and produce new products.
- Development of competency to manufacture for the global market. .

**(c) Information regarding technology imported during the last five years reckoned from the beginning of the financial year:** Technology absorption is under process.**16. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:**

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

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

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31<sup>st</sup> March, 2025.

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

Not Applicable.

## 19. DEPOSITS:

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

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

## 20. BOARD OF DIRECTORS:

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

Sl. No.	Name of the Director	Designation
1.	Mrs. Indra Prem Menon	Independent Director
2.	Mr. Parabrahman Tadimalla	Independent Director
3.	Mr. K Chandrashekhhar Sharma	Independent Director
4.	Mr. Yoshitake Tanaka	Non-Executive-Non-Independent Director
5.	Mr. C P Rangachar	Managing Director
6.	Mr. Tadanori Okada	Non-Executive-Non-Independent Director

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

- Mr. Tadanori Okada (DIN: 10727075) was appointed as an Additional Director on 07<sup>th</sup> August, 2024 and re-designated as Non- Executive Director on 5<sup>th</sup> September, 2024.
- Mr. Yoshitake Tanaka has been re-designated as a Non-Executive, Non-Independent Director, effective September 20, 2024, from his position as Whole-Time Director.
- Srinivasan Rangarajan (DIN: 00043658) Director has retired from Board of Directors with effect from 02<sup>nd</sup> September 2024 on completion of his tenure as Independent Director of the Company.
- Dr. Premchander (DIN: 02278652) Director has retired from Board of Directors with effect from 02<sup>nd</sup> September 2024 on completion of his tenure as Independent Director of the Company.
- Mr. Hideharu Nagahisa (DIN: 07913414) has retired from Board of Directors with effect from 05<sup>th</sup> September 2024 on completion of his tenure as Non-Executive Director.
- Mrs. Vidya Rangachar (DIN: 02612252) has resigned from Board of the Company with effect from 05<sup>th</sup> September 2024 on completion of his tenure as Non-Executive Director.
- Mr. Hidemi Yasuki (DIN: 08494981) Director of the Company had resigned from the Board of the Company with effect from 05<sup>th</sup> September 2024.

## 21. PARTICULARS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Details of Key Managerial Personnel and Senior Management Personnel as at 31<sup>st</sup> March, 2025 as defined under Listing Regulations are as follows:

Sl. No.	Name	Designation
<b>Key Management Personnel</b>		
1	Mr. C P Rangachar	Managing Director
2	Mr. H M Narasinga Rao	Chief Financial Officer
3	Mr. A Venkatakrishnan	Chief Executive Officer
4	Mrs. Suchithra R	Company Secretary & Compliance officer
<b>Senior Management Personnel</b>		
1	K Gopalkrishna	Executive Director - Customer Support
2	Rakeshkumar	Chief Operating Officer
3	Arvind Mishra	Head (Gear Pump Division)
4	K G Ravi	Vice president (Plant Automation)
5	KV Mahesh	Head (Marketing)

Sl. No.	Name	Designation
6	S S Shekhar	Head (HRD)
7	Nandakumar	Head (Elements)
8	Srinivas Patil	Head (System)

## 22. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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

## 23. RISK MANAGEMENT POLICY:

As per the Market Capitalization as on 31<sup>st</sup> March, 2021, Risk Management Committee provisions are applicable to Company as Company does fall under the Top 1000 companies based on Market Capitalization. Hence, as per provisions of Regulation 3(2)(c) the listed company shall continue to comply with relevant provisions that were applicable to it based on the market capitalization of previous year and continues to remain applicable on the basis of its rank in the list prepared by recognized stock exchanges.

However, in compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted by the Board along with Risk Management Policy. Composition of the Committee and other details are provided in Corporate Governance Report.

Risks are identified by the respective departmental heads. Each Strategic Business Unit (SBU) & Corporate will carry out the Risk Assessment for each identified risk, as applicable to them and will document the results for each risk in the Risk Register. Action will be taken based on the possible impact of the identified risk. The Company has mitigated some of the risks as mentioned below.

- Measures taken by IT department of the Company to mitigate risk relating to security of data and systems of the Company.
- Security measures in the manufacturing units of the Company to prevent accidents.
- Installation of CCTV cameras and siren at factory for safety of the employees.
- Measures taken by the Company to mitigate foreign exchange transaction risks.
- Action being taken to take care of welfare of the employees and other stakeholders.'

## 24. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES:

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

The Company has implemented various CSR projects directly and/ or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. The Company has spent an amount of Rs. 32.24 lakhs for identified CSR activities during the financial year ending 31<sup>st</sup> March, 2025. A detailed Report on CSR is enclosed as 'Annexure-3' forming part of this report.

## 25. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company as applicable to listed companies and such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 26. SECRETARIAL STANDARDS:

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

## 27. COMMITTEES OF THE BOARD:

As on 31<sup>st</sup> March, 2025, the Board had 5 (Five) committees:

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

A majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees are provided in the corporate governance report, which form part of this report.

## 28. WHISTLE BLOWER POLICY:

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

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

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

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

The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention,

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

During the Financial Year 2024-25, no complaints were received under sexual harassment of women at work place (prevention, prohibition and redressal) act 2013:

## 30. COMPLIANCE UNDER MATERNITY BENEFIT ACT, 1961:

The Company confirms that it is in compliance with the provisions of the Maternity Benefit Act, 1961. The Company provides maternity leave and all other benefits as prescribed under the Act to its women employees. provision of nursing breaks, and maintenance of prescribed records. Further, in accordance with the requirements of the Act, the Company has made arrangements for creche facilities at its workplace, wherever applicable, to support the well-being of women employees and their children.

## 31. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

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

## 32. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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

## 33. DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

- a. Ratio of remuneration of each Director/KMP to the median employee's remuneration and the percentage increase/decrease in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25:

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2024-25 (In Rs.)	Remuneration for the financial year 2023-24 (In Rs.)	%increase/ (decrease) in remuneration in the financial year 2024-25	Ratio of remuneration of each Director/ KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	1,14,09,000	1,17,32,187	-2.75%	15.95:1
Mr. R Srinivasan, Non-Executive, Independent Director *	3,62,000	6,04,378	-40.10%	0.51:1
Dr. Premchandar, Non-Executive, Independent director *	3,92,000	5,84,378	-32.92%	0.55:1
Mrs. Indra Prem Menon, Non-Executive, Lady Independent Director,	4,92,000	5,04,378	-2.45%	0.69:1
Mr. Parabrahman Tadimalla, Non-Executive, Independent Director	3,92,000	3,24,378	20.85%	0.55:1
Mr. K Chandrashekhar Sharma, Non-Executive, Independent Director	4,22,000	3,24,378	30.09%	0.59:1
Mrs. Vidya Rangachar, Non-Executive Director *	2,72,000	4,24,378	-35.91%	0.38:1
Mr. Hideharu Nagahisa, Non-Executive Director *	2,72,000	4,04,378	-32.74%	0.38:1
Mr. Hidemi Yasuki, Non-Executive Director *	2,72,000	4,24,378	-35.91%	0.38:1
Mr. Tadanori Okada , Executive Director *	2,82,000	-	-	0.39:1
Mr. H M Narasinga Rao, Chief Financial Officer	68,64,000	63,24,946	8.52%	9.60:1
Mr. Yoshitake Tanka, Whole Time Director *	25,92,000	50,06,400	-48.23%	3.62:1
Mr. A Venkatakishnan, Chief Executive Officer,	53,81,000	48,66,117	10.58%	7.52:1
Ms. Suchithra R Company Secretary	8,20,000	2,75,530 **	197.61%	1.15:1

\*Part of the year.

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

**Notes:**

1. The Net Profit after tax has decreased by Rs.75.29 lakhs (excluding other comprehensive income) as compared to the previous year and the remuneration of the Managing Director has increased by 9.61%. The remuneration is within the limit specified in Schedule V.
  2. Remuneration paid /payable to Managing Director and Non-Executive Directors for the financial year 2024-25 is inclusive of Salary, Commission and Sitting Fees.
  3. All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company, The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.
- b. The total number of employees across the group as on 31<sup>st</sup> March, 2025 was 1300 (previous year: 1144).
- c. Percentage decrease in median remuneration of employees for the financial year is -3%.
- d. Average percentage increase/decrease already made in the salaries of employees other than the key managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Percentage Increase of salaries of employees other than the key managerial personnel in the financial year: 15% as compared to previous year.
  - Percentage Increase in the key managerial remuneration in the financial year: -5% as compared to previous year.

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

Commission payable to Directors has been calculated on the basis of net profits of the Company under the provisions of Section 197 of the Companies Act, 2013 and based on the Nomination and Remuneration Policy of the Company. The Directors (Non-executive) are eligible for the commission on the net profit of the Company for the financial year 2024-25.

- f. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: NIL

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

- g. Information as per Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
  - i. Employed throughout the financial year and were in receipt of remuneration for the year, in the aggregate of not less than Rs. 102 lakhs - **NIL**
  - ii. Employed for a part of the financial year and were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8.50 lakhs per month - **NIL**
  - iii. Employed throughout the financial year or part thereof, was in receipt of remuneration in the year in excess of that drawn by the managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company – **NIL**

### 34. SHARE CAPITAL:

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

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

The Authorized share Capital of the Company is Rs. 17,00,00,000 consisting of 1,70,00,000 Equity Shares of Rs. 10/- each and paid up equity share capital of the Company is Rs. 13,00,00,000 consisting of 1,30,00,000 equity shares of Rs. 10/- each as on 31<sup>st</sup> March, 2025.

During the year under review, the Company has not issued any equity shares.

### 35. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Adarsh Sharma & Co, Cost Accountants, Bengaluru, as Cost Auditors for conducting Cost Audit for the financial year 2024-25. Your Directors proposed to ratify the remuneration payable to them for the financial year 2024-25 at the ensuing Annual General Meeting.

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

### 36. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiook and Co., LLP, Chartered Accountants (Firm Registration No.001076N /N500013), were appointed as Statutory Auditors of the Company for a term of 5 years and to hold the office until the conclusion of the 51<sup>st</sup> (Fifty first) Annual General Meeting to be held in the year 2027.

There are no qualifications in their report for the financial year ended 31<sup>st</sup> March, 2025. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

### 37. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed M/s. Joseph & Chacko LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for FY 2024-25. The Secretarial Auditors Report for FY 2024-25 does not contain any qualifications. The Report of the Secretarial Audit is annexed herewith as '**Annexure 4**' forming part of this report.

### 38. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:

Your Company is committed to maintain high standards of Corporate Governance. A report on Corporate Governance along with a Certificate from the Statutory Auditors on compliance of Corporate Governance is attached as 'Annexure -5' forming part of this report. The certificate does not contain any qualifications.

### 39. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

In terms of Regulation 34 (2) (f) of SEBI (LODR) Regulations as amended with effect from 5<sup>th</sup> May 2021, the requirement of furnishing business Responsibility Report shall apply to top one thousand listed entities based on market capitalization (Calculated as on 31<sup>st</sup> December of every year). As we do not fall under the category of top one thousand listed entities as on 31<sup>st</sup> March 2025, we are not required to prepare Business Responsibility and Sustainability Report. Hence the report is not prepared for the financial year 2024-25.

### 40. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis (MDA) forms part of the Annual Report setting out an analysis of business including the industry scenario, performance, financial analysis and risk mitigation.

The Report of the Management Discussion and analysis is annexed herewith as 'Annexure 6' forming part of this report.

### 41. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard Ind AS-110 on "Consolidated Financial Statements" read with Accounting Standard Ind AS-28 on "Accounting for Investments in

Associates", the audited Consolidated Financial Statements are provided in the Annual Report.

### 42. FORWARD-LOOKING STATEMENTS:

This report contains forward-looking statements that involve risks and uncertainties. When used in this report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to your Company and / or its business are intended to identify such forward-looking statements. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performance or achievements could differ materially from those expressed or implied in such forward looking statements. This report should be read in conjunction with the financial statements included herein and notes thereto.

### 43. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Customers, bankers, business associates, consultants, Regulatory authorities, Stock Exchanges, various Government Authorities and all the stakeholders for their continued support extended to your Company's activities during the year. Your Directors also acknowledge their gratitude to the Shareholders of the Company, for their continuous support and confidence reposed on the Company. Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels.

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

Place: Bengaluru  
Date: 28<sup>th</sup> May 2025

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**K Chandrashekar Sharma**  
Director  
DIN: 09505130

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

**ANNEXURE-1**

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

Rs. In lakhs

Sl. No.	Particulars	Details		
		Grotek Enterprises Private Limited	Coretec Engineering India Private Limited	Kolben Hydraulics Limited
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025	01 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025	01 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR
4	Share Capital	501.00	361.96	300.06
5	Reserves & Surplus	1,390.68	(198.50)	(207.22)
6	Total Assets	6,925.75	5,664.15	1,546.55
7	Total Liabilities (Excluding Share Capital & Reserves)	5034.07	5,500.69	1,438.72
8	Investments	549.00	-	-
9	Turnover & other income	9,455.36	4,899.17	1,461.43
10	Profit /(Loss) before taxation	1,037.41	18.04	(50.22)
11	Provision for Taxation	297.04	29.86	(11.04)
12	Other comprehensive income for year	(5.44)	(2.53)	-
13	Profit /(Loss) after taxation including other comprehensive income	734.93	(14.35)	(39.18)
14	Proposed Dividend	-	-	-
15	Percentage of shareholding	100%	100%	95.30%

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

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

## Part "B" Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs. In lakhs (except shares)

Sl No.	Name of Associates/Joint Ventures	Sai India Limited	AEPL Grotek Renewable Energy Private Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2025
2	Shares of Associate/Joint Ventures held by the Company on the year ended 31 <sup>st</sup> March, 2025	3,60,000	54,90,000
3	Amount of Investment in Associates	20	549
4	Extent of Holding in Percentage	40%	51%
5	Description of how there is significant influence	1. Holding 40% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.	1. Grotek Enterprises Private Limited (Subsidiary of Yuken India Limited) holding 51% stake in the Company.
6	Reason why the associates is not consolidated	Not Applicable	Not Applicable
7	Net worth attributable to shareholding as per latest audited Balance Sheet	609.37	519.50
8	Profit/ (Loss) for the year including comprehensive income	159.09	1.50
9	Considered in Consolidation	63.64	0.77
10	Not Considered in Consolidation	95.45	0.73

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

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

Place: Bengaluru  
Date: 28<sup>th</sup> May 2025

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**K Chandrashekar Sharma**  
Director  
DIN: 09505130

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

**ANNEXURE-2**

## Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

All related party transactions are in the ordinary course of business and on arm's length basis and approved by Audit Committee of the Company. Please refer transactions reported in Note No. 43 of the Notes forming part of the standalone financial statements in the Annual Report.

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

Place: Bengaluru  
Date: 28<sup>th</sup> May 2025

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**K Chandrashekar Sharma**  
Director  
DIN: 09505130

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

## ANNEXURE -3

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

The main objectives of Yuken India Limited ("YIL") CSR Policy is to ensure an increased commitment at all levels in the Organization to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of the stakeholders and to directly or indirectly take up programs that benefit the communities over a period of time, in enhancing the quality of life and economic wellbeing of the society.

The projects undertaken during the financial year 2024-25 are within the broad framework of Schedule VII of the Companies Act, 2013.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K Chandrashekhar Sharma	Chairman – Independent Director	1	1
2	Mr. C P Rangachar	Member - Managing Director	1	1
3	Mr. T Parabrahman	Member - Independent Director	1	1

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

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

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

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Rs. NIL

### 6. Average net profit of the Company as per section 135(5): Rs. 1,609.85 lakhs

### 7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 32.20 lakhs.

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

(c) Amount required to be set off for the financial year if any: NIL.

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 32.20 lakhs

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

Total Amount Spent for the Financial Year. (Amount in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	(Amount in Rs.)	Date of transfer	Name of the Fund	(Amount in Rs.)	Date of transfer
32,24,317			NA		

### (b) Details of CSR amount spent against ongoing projects for the financial year: Rs. NIL/-.

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amount in Rs.)	Mode of implementation- Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
1	Indian Institute of Technology Madras	R & D	No	Tamilnadu	Chennai	6,35,000	Yes	Indian Institute of Technology Madras	CSR00004320
2	G.S.R Magnet School	Promotion of Education.	No	Andhra Pradesh	Tirupati	1,08,500	Yes	G.S.R Magnet School	Not applicable
3	Sri Krishna PU College	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	87,000	Yes	Sri Krishna PU College	Not Applicable
4	Sri Sharada Vidyaniketana English High School	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	1,12,200	No	Sri Sharada Vidyaniketana English High School	Not applicable
5	S N Vidya Mandir	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	39,665	Yes	S N Vidya Mandir	Not Applicable
6	KNE Public School	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	57,218	Yes	KNE Public School	Not Applicable
7	Vilasini Higher Primary School	Promotion of Education.	No	Karnataka	Hassan	23,800	Yes	Vilasini Higher Primary School	Not Applicable
8	BGS PU College	Promotion of Education.	Yes. Malur	Karnataka	kolar	32,300	Yes	BGS PU College	Not applicable
9	Greencity International School	Promotion of Education.	Yes. Malur	Karnataka	kolar	83,000	Yes	Greencity International School	Not applicable
10	M S Ramaiah College of Arts Science & Commerce	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	75,000	No	M S Ramaiah College of Arts Science & Commerce	Not applicable
11	Vyoma Linguistic Labs Foundation	Civilizational revival through digital sanskrit movement - culture and values	Yes. Bangalore	Karnataka	Bangalore	1,00,000	Yes	Vyoma Linguistic Labs Foundation	CSR00025464
12	Christ International School	Promotion of Education.	Yes. Malur	Karnataka	kolar	61,000	Yes	Christ International School	Not Applicable
13	NTTF, Peenya	Hydraulic Trainer kit	Yes. Bangalore	Karnataka	Bangalore	9,63,634	No	NTTF, Peenya	CSR00005587
14	Govt School, Mandya	Promotion of Education.	No	Karnataka	Mandya	30,000	Yes	Govt School, Mandya	Not Applicable
15	Govardhanagiri Trust	Animal welfare	No	Karnataka	Udupi	2,00,000	Yes	Govardhanagiri Trust	CSR00024699
16	Vishranti Charitable Trust	Food and maintainance of the Children	Yes. Bangalore	Karnataka	Bangalore	1,50,000	Yes	Vishranti Charitable Trust	CSR00006482
17	Government Pre university college High school section Hoodi - yet to receive the ack	Promotion of Education.	Yes. Bangalore	Karnataka	Bangalore	2,36,000	Yes	Government Pre university college High school section Hoodi - yet to receive the ack	Not Applicable

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amount in Rs.)	Mode of implementation-Direct(Yes/No).	Mode of implementation – through implementing agency.	
				State	District			Name	CSR Registration Number
18	Sree Ramaseva Mandali	Culture	Yes. Bangalore	Karnataka	Bangalore	30,000	Yes	Sree Ramaseva Mandali	CSR00012345
19	Adamya Chetana - Smt Girija Shastry Memorial Trust	Eradication of poverty	Yes. Bangalore	Karnataka	Bangalore	2,00,000	Yes	Adamya Chetana - Smt Girija Shastry Memorial Trust	CSR00005727
					<b>Total</b>	<b>32,24,317</b>			

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 32,24,317/-

(g) Excess amount for set off, if any: NIL

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Amount in Rs.)	Amount spent in the reporting Financial Year (Amount in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Amount in Rs.)
				Name of the Fund	Amount in Rs.	Date of transfer.	
1	2023-24	-	-	Prime Minister's National Relief Fund	3,15,000	20.06.2024	-
2	2022-23	-	-	Prime Minister's National Relief Fund	6,40,000	24.04.2024	-
3	2021-22	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details): Not Applicable

Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: 28<sup>th</sup> May 2025

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**Mr. K Chandrashekhar Sharma**  
Director & Chairman of CSR Committee  
DIN: 09505130

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

# Form No. MR-3

## Secretarial Audit Report

**For the Financial Year ended on 31<sup>st</sup> March 2025**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**Yuken India Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **YUKEN INDIA LIMITED** (hereinafter called the Company) bearing CIN: L29150KA1976PLC003017 and having its registered office at No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru, Karnataka- 560048, India and books of accounts and papers maintained at P B No. 5, Koppathimmanahalli Village Malur-Hosur Main Road, Malur Taluk, Kolar District 563130. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Yuken India Limited for the financial year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during Audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during Audit Period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during Audit Period) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during Audit Period)
6. Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) Factories Act, 1948
- b) The Trade Unions Act, 1926
- c) Contract Labour (Regulation & Abolition) Act, 1979

- d) The Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976
- e) The Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- f) Employees' State Insurance Act, 1948
- g) Maternity Benefits Act 1961
- h) Weekly Holidays Act, 1942
- i) The Payment of Gratuity Act, 1972
- j) The Payment of wages Act, 1936
- k) The Trade Mark Act, 1999
- l) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- m) The Code on Wages, 2019
- n) Indian Stamp Act, 1899 and State Stamp Acts
- o) The Child labour [Prohibition and Regulation] Act, 1986
- p) The Hazardous Wastes (Management and Handling) Rules, 1989
- q) The Environment (Protection) Act, 1986
- r) The Water (Prevention and Control of Pollution) Cess Act, 1977
- s) The Air (Prevention and Control of Pollution) Act, 1981
- t) Income Tax Act, 1961
- u) Goods and Services Tax (GST) Act, 2017

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in

advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members for any item.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

During the year under review, there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc. or
- v. Foreign technical collaborations
- vi. We further report that
- vii. During the financial year 2024-2025, the Company received a notice from the National Stock Exchange for the non-compliance with Regulation 21(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to the non-reporting of meetings of the Risk Management Committee to the stock exchanges.
- viii. This non-compliance occurred for the FY 2022-23 and 2023-24, subsequent to the Company falling outside the top 1000 listed entities based on market capitalization. The Company was informed that as per Regulation 3(2) of the SEBI (LODR) Regulations, 2015, the reporting requirements based on market capitalization continued to be applicable. Consequently, a penalty of INR 2,14,760 was levied by the National Stock Exchange for a period of 91 days of non-compliance, which has been paid by the Company within stipulated time. The penalty was refunded by the National Stock Exchange after the explanation and supporting documents were provided by the company.

#### **For Joseph & Chacko LLP**

Company Secretaries

#### **GIGI JOSEPH K J**

FCS No.: 6483

CP No.: 5576

UDIN: F006483G000326044

Peer Review Certificate No.: 2410/2022

Place: Bangalore

Date: 13.05.2025

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

## **'ANNEXURE A'**

To,  
The Members,  
**Yuken India Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Joseph & Chacko LLP**  
Company Secretaries

**GIGI JOSEPH K J**

FCS No.: 6483

CP No.: 5576

UDIN: F006483G000326044

Peer Review Certificate No.: 2410/2022

Place: Bangalore

Date: 13.05.2025

# Form No. MR-3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**GROTEK ENTERPRISES PRIVATE LIMITED**  
NO. 16-C, DODDANEKUNDI INDUSTRIAL AREA II PHASE,  
MAHADEVAPURA BANGALORE 560048 IN.

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **GROTEK ENTERPRISES PRIVATE LIMITED bearing CIN: U29220KA1997PTC023210** (hereinafter called The Company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under **[Not Applicable]**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **[Not Applicable]**;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable]**;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **[Not Applicable]**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **[Not Applicable]**;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable]**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28<sup>th</sup> October 2014); **[Not Applicable]**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable]**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable]**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable]**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable]**;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[To the extent Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations]**.

- (vi) The other Laws as applicable specifically to the Company are as under,
- a) Indian Stamp Act, 1899 and State Stamp Acts.
  - b) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - c) The Employees' State Insurance Act, 1948
  - d) The Child labour [Prohibition and Regulation] Act, 1986,
  - e) The Water (Prevention and Control of Pollution) Act, 1974
  - f) The Water (Prevention and Control of Pollution) Cess Act, 1977
  - g) The Air (Prevention and Control of Pollution) Act, 1981
  - h) The Environment (Protection) Act, 1986
  - i) The Hazardous Wastes (Management and Handling) Rules, 1989
  - j) The Factories Act, 1948
  - k) The Karnataka Tax on Professions, Trades, Callings And Employment Act, 1976

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> October, 2017 (Revised versions).

- (ii) The Listing Agreements entered into by the Company **[Not Applicable]**;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were changes in the composition of the Board of directors.

Mr. Parabrahman Tadimalla (DIN: 01392252) is nominated as Director on the board of the company, representing Yuken India Limited

pursuant to the provision of the section 2(87) of the Companies Act, 2013 and Regulation 24(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 consequent to the withdrawal of nomination of Mr. Premchander (DIN: 02278652) as a director by Yuken India Limited.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were Unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year under review, there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc. or
- v. Foreign technical collaborations

#### **For AAA & Co**

Company Secretaries

#### **Abhishek Bharadwaj A B**

Practicing Company Secretary

FCS No: 8908

C P No.: 13649

UDIN: F008908G000332121

Date: 13.05.2025

Place: Mysuru

# Form No. MR-3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**CORETEC ENGINEERING INDIA PRIVATE LIMITED**

B-59, DYAVASANDRA INDUSTRIAL ESTATE,  
MAHADEVAPURA, WHITEFIELD ROAD, BANGALORE, KA 560048

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **CORETEC ENGINEERING INDIA PRIVATE LIMITED bearing CIN: U29246KA1998PTC023863** (hereinafter called The Company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2025** according to the provisions of:

- (vii) The Companies Act, 2013 (the Act) and the rules made there under;
- (viii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under **[Not Applicable]**;
- (ix) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **[To the extent applicable to Share are dematerialised]**;
- (x) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable]**;

(xi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **[Not Applicable]**;
- (j) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **[Not Applicable]**;
- (k) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable]**;
- (l) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28<sup>th</sup> October 2014); **[Not Applicable]**;
- (m) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable]**;
- (n) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable]**;
- (o) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable]**; and
- (p) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable]**;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[To the extent Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations]**.

(xii) The other Laws as applicable specifically to the Company are as under,

- l) Indian Stamp Act, 1899 and State Stamp Acts.
- m) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- n) The Employees' State Insurance Act, 1948
- o) The Child labour [Prohibition and Regulation] Act, 1986,
- p) The Water (Prevention and Control of Pollution) Act, 1974
- q) The Water (Prevention and Control of Pollution) Cess Act, 1977
- r) The Air (Prevention and Control of Pollution) Act, 1981
- s) The Environment (Protection) Act, 1986
- t) The Hazardous Wastes (Management and Handling) Rules, 1989
- u) The Factories Act, 1948
- v) The Karnataka Tax on Professions, Trades, Callings And Employment Act, 1976

We have also examined compliance with the applicable clauses of the following:

(ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> October, 2017 (Revised versions).

(ii) The Listing Agreements entered into by the Company [Not Applicable];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were changes in the composition of the Board of directors.

Mr. VENKATAKRISHNAN ANANTHANARAYAN (DIN: 08219189) is nominated as Director on the board of the company, representing Yuken India Limited pursuant to the provision of the section 2(87) of the Companies Act, 2013 and Regulation 24(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were Unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year under review, there were no instances of:

- vi. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- vii. Redemption / buy-back of securities
- viii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- ix. Merger / amalgamation / reconstruction, etc. or
- x. Foreign technical collaborations

#### **For AAA & Co**

Company Secretaries

#### **Abhishek Bharadwaj A B**

Practicing Company Secretary

FCS No: 8908

C P No.: 13649

UDIN: F008908G000828531

Date: 22.07.2025

Place: Mysuru

Note: our report of even date is to be read along with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

## ANNEXURE – 1

To,

The Members,

**CORETEC ENGINEERING INDIA PRIVATE LIMITED**

B-59, DYAVASANDRA INDUSTRIAL ESTATE,

MAHADEVAPURA, WHITEFIELD ROAD, BANGALORE, KA 560048

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

### Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimers

1. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name of Company Secretary in Practice:

**Abhishek Bharadwaj A B**

FCS No.: 8908

C P No.: 13649

Date: 22.07.2025

Place: Mysuru

## Report on Corporate Governance

### CORPORATE GOVERNANCE PHILOSOPHY:

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

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

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

A report on Corporate Governance as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is as follows:

### BOARD OF DIRECTORS AND PROCEDURES

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), wherever applicable and as amended from time to time.

As on 31<sup>st</sup> March 2025, the Board of Directors comprises six (6) members, including one Managing Director and five (5) Non-Executive Directors. Of the five Non-Executive Directors, three (3) serve in the capacity of Independent Directors. The Chairman of the Board is a Non-Executive Director.

The composition of the Board is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149 of the Companies Act, 2013.

The Directors of the Company are persons of eminence having vast and varied experience in Strategic Thinking, Planning and Business Management, Entrepreneurial and Leadership Skills, Marketing and Branding, Financial Management, Global Exposure, Expertise in Defence Industry, Governance and applicable Regulatory Compliance.

### COMPOSITION AND CATEGORY OF DIRECTORS, ATTENDANCE AT BOARD MEETINGS AND ANNUAL GENERAL MEETING, MEMBERSHIP OF OTHER BOARDS/COMMITTEES AS OF MARCH 31, 2025:

Name	Category	Board Meeting Held	Board Meeting Attended	Present in last AGM	No. of outside Directorships held (1)	Committee (Chair/ Member)
Mr. Tadanori Okada	Non-Executive Non Independent -Chairman	5	3	Yes	Nil	-/-
Mr. C P Rangachar	Managing Director	5	5	Yes	10	-/2
Mr. K Chandrashekhar Sharma	Non-Executive Independent Director	5	5	Yes	5	1/1
Mrs. Indra Prem Menon	Non-Executive Independent Director	5	5	Yes	9	1/1
Mr. Yoshitake Tanaka	Non-Executive Non Independent Director	5	5	Yes	-	-/-
Mr. Parabrahman Tadimalla	Non-Executive Independent Director	5	5	Yes	3	1/-

#### Notes:

- No. of outside Directorships includes Private & Public Limited Companies and excludes Companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend). None of the Directors of the Company hold independent directorships in more than 7 listed Companies.

- Chairmanship/Membership of Audit Committee and Stakeholder Relationship Committee in other Public Companies have been considered. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.
- All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

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

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

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

Sl. No.	Name of the Listed Company	Category (Director / Independent Director / Whole Time Director)
1	<b>Mr. R Srinivasan</b>	
a.	TTK Prestige Limited	Non-Executive - Non Independent Director
2.	<b>Mr. K Chandrashekhar Sharma</b>	
a.	Birla Precision Technologies Limited	Non-Executive - Independent Director

Further, Dr. Premchander, Mr. Hideharu Nagahisa, Mr. Tadanori Okada, Mr. Hidemi Yasuki, Mrs. Indra Prem Menon, Mr. Yoshitake Tanaka, T Parabrahman and Mrs. Vidya Rangachar do not hold any directorship in the listed entities other than Yuken India Limited.

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

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

- Technical skills in the area of Manufacturing Sector.
- International Business experience: Experience in leading businesses in different geographies/markets around the world.

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

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

Sl. No.	Name of the Directors	LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES				
		Technical skills	International Business experience	Sales & Marketing	Finance and Accounting Experience	General Management Experience
1	Mr. C P Rangachar	√	√	√	√	√
2	Mr. Hideharu Nagahisa	√	√	√	√	√
3	Mr. Yoshitake Tanaka	√	√	√	√	√
4	Mrs. Indra Prem Menon	√	√	√	√	√
5	Mr. Parabrahman Tadimalla	√	√	√	√	√
6	Mr. Kaleginanaoor Chandrashekhar Sharma	√	√	√	√	√

## BOARD MEETINGS:

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors must meet at least 4 times in a year, with a maximum time gap of 120 days between any two meetings.

During the financial year 2024-25, our Board met 5 (Five) times viz., on 22<sup>nd</sup> May, 2024, 7<sup>th</sup> August, 2024, 5<sup>th</sup> September, 2024, 13<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025.

In addition, a separate meeting of the Independent Directors was held on 13<sup>th</sup> February, 2025. The performance evaluation of the Chairman and Non-Executive Independent Directors was carried out by Independent Directors.

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

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

## AUDIT COMMITTEE:

The Audit Committee of the Board and its constitution is in confirmation with the requirements of Section 177 of the Companies Act, 2013 and also in confirmation with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- Efficiency and effectiveness of the operations,
- Safeguarding of assets and adequacy of provisions for all liabilities,
- Reliability of financial and other management information and adequacy of disclosures, and
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- a) Investigate any activity within its terms of reference
- b) Seek information from any employee
- c) Obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee inter alia, are as under:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statements and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems; and
- (viii) Monitoring the end use of funds raised through public offers and related matters.

The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

As at the year end, the Audit Committee comprises of T Parabrahman as the Chairman and Mr. K Chandrashekhar Sharma, Mrs. Indra Prem Menon and Mr. C P Rangachar as the Members. While Mr. T Parabrahman, Mr. K Chandrashekhar Sharma and Mrs. Indra Prem Menon are Non-Executive & Independent Directors and Mr. C P Rangachar is an Executive Director. Mrs. Suchithra R is the Secretary of the Audit Committee.

The Chief Financial Officer and representatives of Internal and Statutory Auditors are the invitees at the Meetings of Audit Committee. The Company Secretary acts as the Secretary to the Committee. All the members are financially literate and have relevant finance and/or audit exposure.

During the year, 4 (four) meetings of the Audit Committee were held, the dates being, 22<sup>nd</sup> May, 2024, 07<sup>th</sup> August, 2024, 13<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025. The composition of Audit Committee as at 31<sup>st</sup> March, 2025 and the attendance of the members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. T Parabrahman	4	2
2	Mrs. Indra Prem Menon	4	4
3	Mr. K Chandrashekhar Sharma	4	2
4	Mr. C P Rangachar	4	4

### NOMINATION AND REMUNERATION COMMITTEE:

The purpose of the Nomination and Remuneration Committee of the Board shall be to discharge the Board's responsibilities relating to the appointment and compensation of the Company's Executive Directors and Non-Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Directors, Non-Executive Directors compensation plans, policies and programs.

The Company's remuneration strategy is to attract and to retain high caliber talents. Our Nomination & Remuneration Policy is therefore, market – lead and takes into account the competitive circumstances of business so as to attract and to retain quality, talent and leverage performance significantly.

The Nomination and Remuneration Committee comprises of three Non-Executive and Independent Directors viz., Mr. T Parabrahman as Chairman and Mr. K Chandrashekhar Sharma and Mrs. Indra Prem Menon as members. Mrs. Suchithra R is the Secretary of the Nomination and Remuneration Committee.

During the financial year 2024-25, there were 2 (Two) Nomination and Remuneration Committee meetings held on 22<sup>nd</sup> May, 2024 and 7<sup>th</sup> August, 2024 and the proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

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

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. T Parabrahman	2	NA
2	Mrs. Indra Prem Menon	2	2
3	Mr. K Chandrashekhar Sharma	2	NA

The Chairman of the Nomination and Remuneration Committee Mr. T Parabrahman was present at the Annual General Meeting held on 5<sup>th</sup> September, 2024.

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

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

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is authorized to:

1. Monitor the system of share transfers, transmissions, sub-division, consolidation, de-materialization and re-materialization.
2. Deal with all investor related issues including redressal of complaints from shareholders pertaining to transfer of shares and non-receipt of Balance Sheet, etc.
3. To delegate such powers to Company's officers, as may be necessary including powers to approve transfers, transmissions, authenticate share certificates and to take action in relation to shareholders related matters.

The Stakeholders Relationship Committee is constituted with Mr. K Chandrashekhar Sharma –Non-Executive & Independent Director as Chairman, Mr. C P Rangachar – Executive Director, Mrs. Indra Prem Menon – Non-Executive & Independent Director as the members. Mr. H M Narasinga Rao, CFO & Vice President-Finance & Ms. Suchithra R - Company Secretary & Compliance Officer of the Company to look into the issues pertaining to share transfers and stakeholders' grievances.

During the year, 1 (One) meetings of the Stakeholders Relationship Committee were held, viz., on 13<sup>th</sup> February, 2025. The proceedings of the Meeting of the Committee to be reported in the Board Meetings for the Board to take note thereof.

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

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. K Chandrashekhar Sharma	1	1
2	Mr. C P Rangachar	1	1
3	Mrs. Indra Prem Menon	1	1

The Chairman of the Stakeholders Relationship Committee Mr. K Chandrashekhar Sharma was present at the Annual General Meeting held on 5<sup>th</sup> September, 2024.

**The statistics of investors' complaints received/redressed during the year are furnished below:**

Sl. No.	Nature of Complaints	Received	Addressed	Pending
1	Non-receipt of dividend warrants	-	-	-
2	Non-receipt of securities	-	-	-
3	Non-receipt of Annual reports	-	-	-
4	Complaints from Stock Exchanges / SEBI	-	-	-
<b>Total</b>		-	-	-

**RISK MANAGEMENT COMMITTEE:**

Risk Management Committee of the Company is constituted as per the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the following members:

1.	Mr. K Chandrashekhar Sharma	– Chairman
2.	Mr. C P Rangachar	– Member
3.	Mr. A Venkatakrishnan	– Member

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

During the year, 2 (Two) meetings of the Risk Management Committee were held, viz., on 7<sup>th</sup> August, 2024 and 13<sup>th</sup> February 2025. The proceedings of the Meeting of the Committee to be reported in the Board Meetings for the Board to take note thereof.

The attendance of the members at the Risk Management Committee Meetings held during the year is as under:

Sl. No.	Name of the Members	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. K Chandrashekhar Sharma	2	1
2	Mr. C P Rangachar	2	2
3	Mr. A Venkatakrishnan	2	2

The Chairman of the Risk Management Committee Mr. K Chandrashekhar Sharma was present at the Annual General Meeting held on 5<sup>th</sup> September, 2024.

**CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE:**

Corporate Social Responsibility Committee of the Company was formed in compliance with the provisions of Section 135 of the Companies Act, 2013 with the following Directors:

1.	Mr. K Chandrashekhar Sharma	– Chairman
2.	Mr. C P Rangachar	– Member
3.	Mr. T Parabrahman	– Member

The Company has in place, a Corporate Social Responsibility Policy which is being monitored by the CSR Committee.

During the year, 1 (one) meeting of the CSR Committee was held on 22<sup>th</sup> May, 2024. The proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

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

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

**CODE OF CONDUCT:**

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to all the Directors, Senior Management and employees of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and exemplary personal conduct. The code of conduct is available on the Company's corporate website. All the Board members and Senior Management of the Company have affirmed their compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2025. A Certificate to this effect, duly signed by the Managing Director is annexed hereto. Code of Conduct of the Company is available in its website:

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

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

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

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

### SUBSIDIARY COMPANIES:

The Company have following Subsidiaries:

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

The Audit Committee reviews financial statements, particularly, the capital investments made by the Company's un-listed subsidiary Companies. The minutes of unlisted subsidiary Companies have been placed before the Board. The accounts of all subsidiary Companies are placed before the Board on a regular basis and the attention of the Directors is drawn to all significant transactions and arrangements entered into or by the subsidiary Companies. The Annual Accounts of the Subsidiary Companies are available on the website of the Company at <http://www.yukenindia.com/report-result/>

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

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

### DISCLOSURES:

#### (A) Related Party Transactions:

During the financial year 2024-25, besides the transactions reported in Note No. 43 of the Notes forming part of the financial statements in the Annual Report, there were no other material related party transactions. These transactions do not have any potential conflict with the interests of the Company at large.

However, all the transactions with related parties were in the ordinary course of business and on arm's length basis. All the Related Party Transactions have been approved by the Audit Committee and the Board in compliance with the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy relating to related party transaction is available in Company website:

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

#### (B) Disclosure of accounting treatment:

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

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

The Company has not raised the capital by the issuance and allotment of equity shares during the year ended 31<sup>st</sup> March, 2025

#### (D) Remuneration of Directors:

Mr. C P Rangachar, Managing Director is in receipt of salary in the scale of Rs. 5,80,000 – Rs. 7,00,000 per month with authority to Board to fix the annual increments.

Details of remuneration paid/payable to the Mr. C P Rangachar - Managing Director and Mr. Yoshitake Tanaka – Whole time director, during the year, 2024-25 is as under\*.

Sl. No.	Particulars	Amount in Rs.	Amount in Rs.
		Mr. CP Rangachar	Mr. Yoshitake Tanaka**
1	Salary	80,60,000.00	23,40,000
2	Value of Perquisites	4,93,000	-
3	Contribution to Provident & Superannuation Fund	21,76,000	-
4	Leave encashment	6,80,000.00	-
5	Commission	-	1,92,000
<b>Total</b>		<b>1,14,09,000</b>	<b>25,32,000</b>

- \*Remuneration excludes charge for gratuity as separate actuarial valuation figures are not available.
- \*\* Mr. Yoshitake Tanaka was whole time Director upto 20<sup>th</sup> September 2024
- No stock options have been issued to the Managing Director.
- Commission payable to the Directors is calculated based on the net profits of the Company in particular financial year and is determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.
- Commission is the only component of remuneration, which is performance linked and the other components are fixed.

- No Stock Options have been issued to the Independent Directors. The compensation of the Non-Executive Directors not exceeding 1% of the net profits of the Company so long as the Company has a Whole-time Director and / or Managing Director, as recommended by the Nomination & Remuneration Committee and Board of Directors and approved by the shareholders.

**Details of sitting fees Paid and commission payable to Non-Executive Directors for FY 2024-25 are given below:**

Amount in Rs.

Sl. No.	Name of the Director	Sitting fees	Commission	Total
1	Mr. Hideharu Nagahisa	80,000	1,92,000	2,72,000
2	Mr. Hidemi Yasuki	80,000	1,92,000	2,72,000
3	Mr. R Srinivasan	1,70,000	1,92,000	3,62,000
4	Dr. Premchander	2,00,000	1,92,000	3,92,000
5	Mrs. Vidya Rangachar	80,000	1,92,000	2,72,000
6	Mr. Parabrahman Tadimalla	2,00,000	1,92,000	3,92,000
7	Mr. Kaleginanaoor Chandrashekhar Sharma	2,30,000	1,92,000	4,22,000
8	Mrs. Indra Prem Menon	3,00,000	1,92,000	4,92,000
9	Okada	90,000	1,92,000	2,82,000
10	Yoshitake Tanaka	60,000	1,92,000	2,52,000
<b>Total</b>		<b>14,90,000</b>	<b>19,20,000</b>	<b>34,10,000</b>

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

**GENERAL MEETINGS:**

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

Year	Date & Time	Special Resolution passed	Location
2021-22	14 <sup>th</sup> September, 2022 10:00 am	1. Reappointment of Mrs. Vidya Rangachar (DIN: 02612252), Non-Executive & Non Independent Director. 2. Appointment of Mr. Yoshitake Tanaka (DIN: 0009686092) as a Whole Time Director.	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").
2022-23	14 <sup>th</sup> September, 2023 10:30 am	Not Applicable	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").
2023-24	5 <sup>th</sup> September, 2024 10:30 am	Not Applicable	The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").

Mr. C P Rangachar, managing director, holds 84,400 equity shares of Rs. 10/- each in the Company for the year ended 31<sup>st</sup> March, 2025.

Mrs. Vidya Rangachar, a Director, holds 16,000 equity shares of Rs. 10/- each in the Company and the Company has paid the rent of Rs. 0.75 lakhs for the year ended 31<sup>st</sup> March, 2025. There is no notice period and severance pay. No stock options have been issued to any of the Directors.

**(E) Management Discussion and Analysis:**

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

**CEO/CFO CERTIFICATION:**

The Managing Director being the Chief Executive Officer (CEO) and the Vice President – Finance being the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2025, which is annexed hereto.

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY:**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Giji Joseph (CP No. 5576), Partner of M/s. Joseph & Chacko LLP, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory. Copy of Certificate is annexed hereto.

## MEANS OF COMMUNICATION:

The quarterly financial results of the Company were submitted to the Stock Exchanges immediately after the Board's approval, by uploading in their portal - <http://listing.bseindia.com/> and <https://neaps.nseindia.com>.

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

## GENERAL SHAREHOLDER INFORMATION:

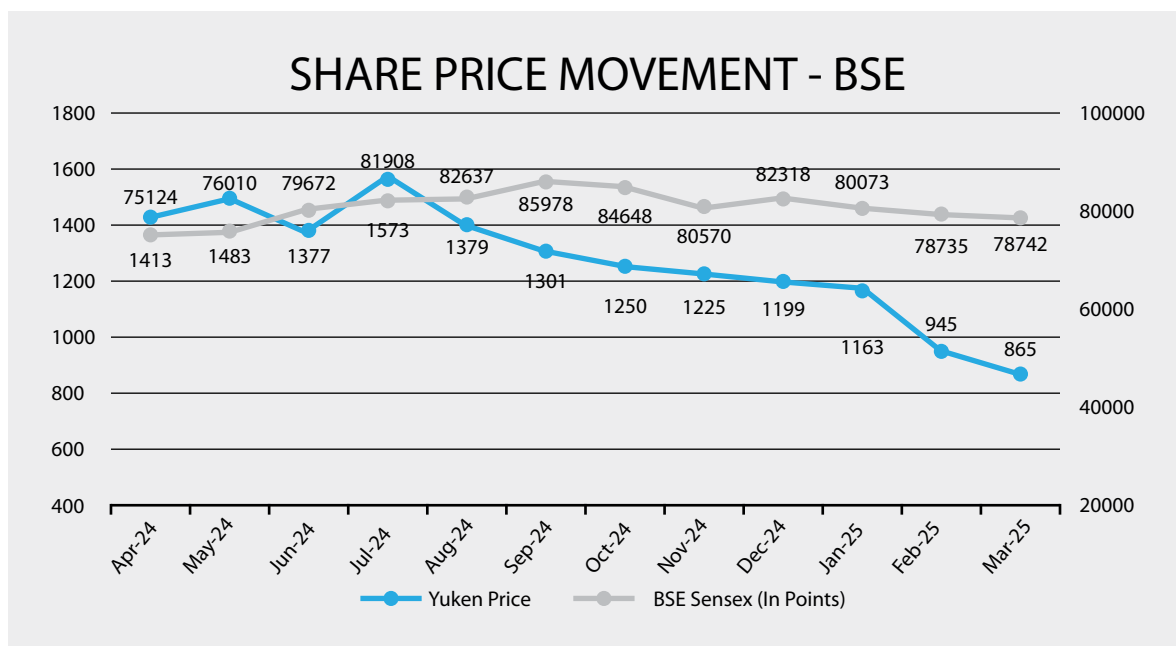
<b>a. 49<sup>th</sup> Annual General Meeting</b>	
Day, date and time	10 <sup>th</sup> September 2025, 10:30 AM
Venue	The Company is conducting meeting through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM"). For details please refer to the Notice of this AGM.
<b>b. Financial Calendar</b>	
i) Financial Year	April to March
ii) First Quarter Results	August
iii) Second Quarter Results	November
iv) Third Quarter Results	February
v) Year end Results	May
<b>c. Date of Book Closure</b>	3 <sup>rd</sup> September, 2025 to 10 <sup>th</sup> September, 2025
<b>d. Proposed Dividend</b>	Rs.1.5 per share (One Rupees Fifty Paise only per share)
<b>e. Dividend Payment Date</b>	30 days from the date of AGM
<b>f. Listing of Equity Shares</b>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code: 522108 National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 NSE Script Code: YUKEN
<b>g. Listing Fee</b>	Annual listing fee for the financial year 2024-25 paid to the Stock Exchanges.
<b>h. Depository Fee</b>	Annual custody fee for the financial year 2024-25 paid to the depositories.
<b>i. Corporate Identity Number</b>	L29150KA1976PLC003017
<b>j. Details of Registrar and Share Transfer Agents:</b>	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Unit: Yuken India Limited Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Phone: (040) 6716 1508/1592/1509 E Mail Id: Einward.ris@karvy.com Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> or <a href="https://ris.kfintech.com/">https://ris.kfintech.com/</a> Toll free No: - 1- 800-309-4001 & 1800 309 4001

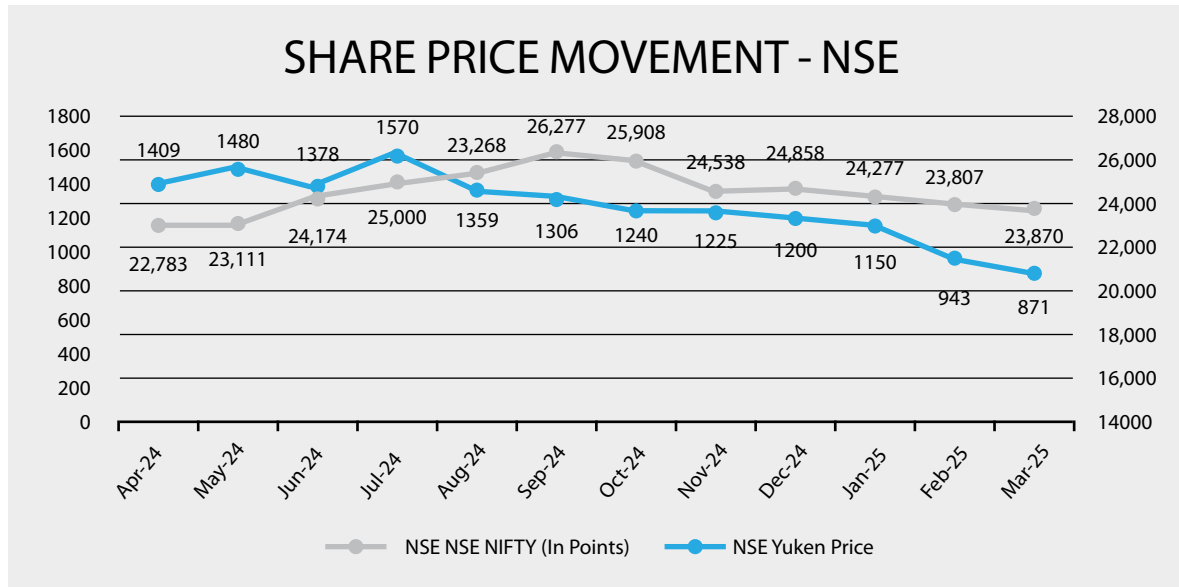
**k. Market Price Data:**

High – Low market price data during each month in the year 2024-25 at BSE Limited and National Stock Exchange is furnished below:

In Rs.

Sl. No.	Month	BSE LIMITED			NATIONAL STOCK EXCHANGE		
		High	Low	Volume (In Lakhs)	High	Low	Volume (In Lakhs)
1	April	1412.85	807	1.34	1409	798	17.50
2	May	1483.1	1091.1	0.99	1479.7	1,131.30	12.00
3	June	1376.95	998.15	0.87	1377.5	995.05	11.10
4	July	1572.7	1140	2.03	1569.9	1,120.00	14.50
5	August	1379	1176.95	0.45	1359.45	1,175.05	3.73
6	September	1301.4	1152.5	0.22	1306	1,150.00	2.69
7	October	1250	1058.25	0.15	1240	1,059.90	1.50
8	November	1225.1	1030.25	0.11	1224.9	1,029.60	1.17
9	December	1198.75	952	0.11	1200	954.4	1.87
10	January	1162.55	813.55	0.35	1149.7	811	3.57
11	February	945	733	0.15	943.3	730	3.05
12	March	864.75	717.75	0.35	871.45	712.7	3.93





Note: For the purpose of Share Price Movement, We have taken the closing Price in the above chart.

#### I. Share Transfer System:

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

The Company's Registrar and Share Transfer Agents M/s. KFIN Technologies Limited, Hyderabad, have adequate infrastructure to process the share transfers/transmission. All transmission received are processed and approved by the Stakeholders Relationship Committee at its meetings. In compliance with the Listing regulations, a Practicing Company Secretary audits the system every half-year and a certificate to that effect is issued and the same is submitted to the Stock Exchanges.

The Company has not issued any ADRs / GDRs / Warrants or any Convertible Instruments. The Company had no transfer of shares pending as on 31<sup>st</sup> March, 2025.

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

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

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

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

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

**n. Distribution Schedule – Consolidated as on 31.03.2025:**

SI no	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	11166	91.13	946006	7.28
2	501 - 1000	501	4.09	385517	2.97
3	1001 - 2000	287	2.34	420681	3.24
4	2001 - 3000	99	0.81	245195	1.89
5	3001 - 4000	43	0.35	154284	1.19
6	4001 - 5000	33	0.27	154296	1.19
7	5001 - 10000	66	0.54	471643	3.63
8	10001 - 20000	28	0.23	382518	2.94
9	20001 and above	30	0.24	9839860	75.69
	TOTAL:	12253	100.00	13000000	100.00

**o. Plant Location:**

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

**p. Address for Communication:**

Registrar & Share Transfer Agents (RTA) (matters relating to Shares, Dividends, Annual Reports)	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Unit: Yuken India Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi, Hyderabad - 500 032 Telangana, India Tel.: 040 - 67161509 E Mail Id: Einward.ris@karvy.com Toll free No: - 1- 800-309-4001 .
For any other general matters or in case of any difficulties/grievances	Suchithra R Company Secretary & Compliance officer Yuken India Limited PB No. 5, Koppahimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka, India. PIN – 563130. PH: +91- 9731610341 E-Mail: Suchithra.r@yukenindia.com csyil@yukenindia.com yilinfo@yukenindia.com,hmn_rao@yukenindia.com
Website address	www.yukenindia.com
Email ID of Investor Grievances Section	Suchithra.r@yukenindia.com
Name of the Compliance Officer	Suchithra R – Company Secretary

**q. Shareholding Pattern as on 31<sup>st</sup> March, 2025:**

Sl. No.	Category	No. of shares held	Percentage of Shareholding
1	Promoters' holding	73,00,208	56.16
2	Mutual Funds / UTI	123024	0.95
3	Private Corporate Bodies	780984	6.01
4	Indian Public	42,61,940	32.78
5	HUF	278185	2.14
6	NRIs/OCBs	88023	0.68
7	Clearing Members	0	0.00
8	IEPF	60682	0.47
9	Trusts	400	0.03
10	Alternative Investment Fund	92321	0.71
11	Foreign Portfolio	10433	0.08
<b>Grand Total</b>		<b>1,30,00,000</b>	<b>100</b>

**r. Dematerialization of Shares:**

Members are requested to convert their physical holdings demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the

shares held. Shares received for dematerialization are generally confirmed within maximum period of 21 days from the date of receipt, if the documents are clear in all respects. The number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March, 2025 is as under:

Sl. No.	Description	No of shares	% of total capital Issued
1	Held in dematerialized form in National Securities Depository Limited (NSDL)	1,04,18,840	80.14 %
2	Held in dematerialized form in Central Depositories India Limited (CDSL)	2452051	18.86 %
3	Physical	129109	0.9931 %
<b>Total</b>		<b>1,30,00,000</b>	<b>100</b>

**s. Credit Rating:**

Company has obtained the Credit Rating Report from CARE Ratings Limited on 04<sup>th</sup> October, 2024 the status remains same as previous year as BBB+ Stable.

The Credit Rating Report is available in Company website:

<http://www.yukenindia.com/credit-rating/>

**t. Payment to statutory Auditors and all entities in Network Firm:****1. To Statutory Auditors:**

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

**a. Towards Audit Fees:**

Sl. No.	Particulars	Amount in Rs.
1	Statutory Audit (Including IFCoFR for the year ending 31 March 2024) (Consolidated and Standalone Financial statements)	23,50,000
2	Group Reporting for the year ended 31 March 2024	4,00,000
3	Quarterly Standalone and Consolidated Limited reviews - (Q1/Q2/Q3)	12,00,000
4	Corporate Governance Audit	50,000
5	Tax Audit	2,00,000
<b>Total</b>		<b>42,00,000</b>

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

## OTHER DISCLOSURES:

SI NO.	PARTICULARS	PARTICULARS
1	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	<ul style="list-style-type: none"> <li>For the Financial year 2023-24               <ol style="list-style-type: none"> <li>1) Fine under regulation 17(1) of SEBI (LODR) w.r.t delay in appointing Woman Independent Director. Fine: Rs. 5,02,680/-</li> <li>2) Fine under regulation 23(9) of the SEBI (LODR) w.r.t delay in submission of Related Party Transactions for the Half Year ended 31.03.2023. Fine: Rs. 47,200/-</li> </ol> </li> </ul>
2	Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee	The policy is available in Company website: <a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>
3	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	The Company has complied the provisions as mentioned in SEBI (LODR) Regulation with respect to preparation of Corporate Governance Report.
4	Recommendations of Committees of the Board:	There were no instances during the financial year 2023-24, wherein the Board had not accepted recommendations made by any committee of the Board.
5	Dividend Distribution Policy:	The Policy is available at the Company's Website: <a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>
6	Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Not Applicable.
7	Link to the Company's Policies	<a href="https://www.yukenindia.com/corporate-governance-and-code-of-conduct/">https://www.yukenindia.com/corporate-governance-and-code-of-conduct/</a>

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

### 1. Audit qualifications:

There were no qualifications in Auditor's Report, during the year.

### 2. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

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

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2025 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  1. significant changes in internal controls over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**H M Narasinga Rao,**  
Chief Financial Officer & VP Finance

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

## Declaration on Code Of Conduct:

To,  
The Members of  
**Yuken India Limited**

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2025.

Place: Bengaluru  
Date: 28<sup>nd</sup> May, 2025

**For Yuken India Limited**

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

## Certificate of Non-Disqualification of Directors

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

To  
The Members of,  
**YUKEN INDIA LIMITED**

NO. 16-C, Doddanekundi Industrial Area II Phase,  
Mahadevapura, Bengaluru-560048, Karnataka, India

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

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

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

Sl. No.	DIN	Name of Director	Designation	DIN Status
1	00310893	Rangachar Padmanabhan Cattan Coletore	Managing Director	Approved
2	09686092	Yoshitake Tanaka	Director	Approved
3	10727075	Tadanori Okada	Director	Approved
4	01392252	Parabrahman Tadimalla	Director	Approved
5	09505130	Kaleginanaoor Chandrashekhar Sharma	Director	Approved
6	00121917	Indra Menon Prem	Director	Approved

- 2.** We further certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority for the Financial Year ending on 31<sup>st</sup> March, 2025.

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

**Gigi Joseph**  
Partner  
FCS No. 6483 / COP No. 5576  
UDIN: F006483G000117088

Date: 15.04.2025  
Place: Bengaluru

# Independent Auditor's Certificate on Corporate Governance

To  
the Members of  
**Yuken India Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 17 July 2024 and 12 May 2025.
2. We have examined the compliance of conditions of corporate governance by Yuken India Limited ('the Company') for the year ended on 31 March 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## Management's Responsibility

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

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2025.

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

## Restriction on use

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

### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 25067878BMOOXZ5075

Bengaluru

28 May 2025

# Independent Auditor's Report

To  
The Members of  
**Yuken India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Yuken India Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matters
<p><b>Impairment assessment of investments in, advances given to and receivables from certain subsidiaries</b></p> <p>Refer to the material accounting policies in Note 2(p) and related disclosure in Note 6,9 and 11 of the standalone financial statements.</p> <p>As at 31 March 2025, the Company has investment of ₹666.03 lakhs, advance of ₹2,498.46 lakhs and receivable balances of ₹1,271.39 lakhs from its wholly subsidiary company, Coretec Engineering India Private Limited and subsidiary Company, Kolben Hydraulics Limited.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for identification of impairment indicators for investments, advances and receivables and impairment testing in accordance with Ind AS 36 and Ind AS 109, as applicable;</li> <li>• Evaluated the design and tested the operating effectiveness of key controls in relation to impairment assessment;</li> <li>• Assessed the professional competence, capabilities and objectivity of the valuation expert used by the management to determine the recoverable amounts and verified overall mathematical accuracy of underlying calculations;</li> </ul>

Key audit matter	How our audit addressed the key audit matters
<p>At each period end, the management reviews whether any impairment indicators exist in the carrying amounts of investments, advances and receivables, in accordance with the requirements of Ind AS 36, "Impairment of Assets" (Ind AS 36), and Ind AS 109, "Financial instruments" (Ind AS 109), as applicable. The aforesaid subsidiaries have incurred losses in current year and have net current liabilities positions as at 31 March 2025, resulting in possible impairment indicators.</p> <p>Accordingly, the management has carried out an impairment test by determining recoverable amount of aforesaid balances from such subsidiaries using the Discounted Cash Flow ("DCF") valuation model, which requires significant estimation and judgement around assumptions used such as cash flow projections based on business plans of the subsidiary companies, expected growth rates in the business and discount rates, etc.</p> <p>The management has concluded that the recoverable amount of the aforesaid investments, advances and receivables is higher than its carrying amount. Accordingly, no impairment provision has been recorded as of 31 March 2025.</p> <p>Considering the materiality of the amounts involved and the significant degree of judgement and subjectivity in estimates and key assumptions used in determining the cash flows used in impairment test, impairment of investments in, advances given to and receivables from certain subsidiaries is considered to be a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> <li>• Involved auditor's valuation experts to assess the appropriateness of valuation methodology and reasonableness of key assumptions used by the management's expert to determine recoverable amount;</li> <li>• Performed a retrospective analysis to assess the reasonableness of Company's projections by comparing historical forecast to actual results;</li> <li>• Evaluated and challenged the assumptions used management's expert by comparing the inputs with externally available data, consistency with Board approved forecasts and our knowledge of the industry;</li> <li>• Performed independent sensitivity analysis on the key assumptions to determine estimation uncertainty involved and impact on conclusions drawn; and</li> <li>• Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements in accordance with applicable accounting standards.</li> </ul>
<p><b>Revenue recognition</b></p> <p>Refer to the material accounting policies in Note 2(i) and related disclosure in Note 24 of the standalone financial statements.</p> <p>Revenue from the sale of goods are recognised at a point in time upon transfer of control of promised products to the customers in accordance with the terms of contracts with the customers. Revenue towards a performance obligation is measured at the amount of transaction price allocated to that performance obligation and is accounted for net of rebates or discounts.</p> <p>Owing to the Company's high volume of sales transactions and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence, requiring significant auditor attention.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and assessed the appropriateness of the accounting policy for revenue recognition in accordance with Ind AS 115, Revenue from Contracts with Customers (Ind AS 115);</li> <li>• Evaluated the design and tested the operating effectiveness of key controls (including the automated controls) around revenue recognition;</li> <li>• Performed substantive testing by selecting samples of revenue transactions recorded during the year, including specific period before and after the year end. For such samples, verified the underlying supporting documents such as invoices, goods dispatch notes, shipping documents, sales Orders etc. to ensure correct amount of revenue is recognition in the correct period;</li> <li>• Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions;</li> </ul>

Key audit matter	How our audit addressed the key audit matters
<p>Revenue is one of the key performance indicators of the Company and external stakeholders which makes it susceptible to fraud risk and misstatement and thus timing of revenue recognition is relevant as there is a risk of revenue being recognised without transfer of control.</p> <p>Considering the varied terms of contracts with customers, significance of the amount involved and significant attention required by the auditor as mentioned above, revenue recognition is considered to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Performed analytical procedures on current year revenue which included product analysis, customer analysis, etc to identify any unusual variances / relationships, if any;</li> <li>• Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; and</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures included in standalone financial statements in accordance with applicable accounting standards.</li> </ul>

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

6. The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated

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

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

7. The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure II, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 17(b) above on reporting under section 143(3) (b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;
  - i. The Company, as detailed in note 35(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(1) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds

or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(2) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement
- v. The final dividend paid by the Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 16(c) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As stated in Note 50 to the standalone financial statements and based on our examination which included test checks, except for matters mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Lokesh Khemka**

Partner

Membership No.: 067878

UDIN: 25067878BMOOXV4145

Place: Bengaluru

Date: 28 May 2025

## Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Yuken India Limited on the standalone financial statements for the year ended 31 March 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 2 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land and building situated at Malur, Whitefield and Peenya with gross carrying values of Rs 8,673.10 lakhs as at 31 March 2025, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt inventory records.
- (b) As disclosed in Note 18 to the standalone financial statements, the Company has sanctioned a working capital limit in excess of ₹5 crores by banks based on the security of current assets. The quarterly statements in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.
- (iii) The Company has not made investments in, or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has provided guarantee to companies during the year, in respect of which:

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

(Amount in ₹ lakhs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount provided/granted during the year (₹ in Lakhs):				
- Subsidiaries	1,000.00	-	-	-
- Associates	1,500.00	-	-	-
Balance outstanding as at balance sheet date (₹ in Lakhs):				
- Subsidiaries	5,650.00	-	-	-
- Associates	1,500.00	-	-	-

- (b) In our opinion, and according to the information and explanations given to us, the guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of

the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Lokesh Khemka**

Partner

Membership No.: 067878

UDIN: 25067878BMOOXV4145

Place: Bengaluru

Date: 28 May 2025

## Annexure II to the Independent Auditor's Report of even date to the members of Yuken India Limited on the standalone financial statements for the year ended 31 March 2025

In conjunction with our audit of the standalone financial statements of Yuken India Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

1. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

2. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements

were established and maintained and if such controls operated effectively in all material respects.

3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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

5. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

6. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

7. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial

statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 25067878BM00XV4145

Place: Bengaluru

Date: 28 May 2025

# Standalone Balance Sheet as at 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	17,214.85	13,664.06
Right-of-use assets	5	623.66	132.45
Investment Property	3B	854.62	1,767.01
Capital work in progress	3A	511.88	1,349.95
Other intangible assets	4	251.32	230.08
<b>Financial assets:</b>			
(i) Investments	6	1,211.41	1,211.49
(ii) Loans	7	20.65	37.89
(iii) Other financial assets	8	7.70	70.06
Other non-current assets	9	1,074.87	501.55
Non Current tax assets	14	281.40	-
		<b>22,052.36</b>	<b>18,964.54</b>
<b>Current assets</b>			
Inventories	10	6,113.72	6,543.85
<b>Financial assets:</b>			
(i) Trade receivables	11	11,431.29	10,755.69
(ii) Cash and cash equivalents	12	149.39	985.77
(iii) Bank balances other than cash and cash equivalents	13	50.56	61.41
(iv) Loans	7	39.99	21.91
(v) Other financial assets	8	158.53	303.62
Investments held for sale	15	-	1.56
Current tax assets	14	-	189.89
Other current assets	9	4,311.32	4,542.81
		<b>22,254.80</b>	<b>23,406.51</b>
		<b>44,307.16</b>	<b>42,371.05</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,300.00	1,300.00
Other equity	17	27,324.96	26,230.36
		<b>28,624.96</b>	<b>27,530.36</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	-	519.06
(ii) Lease liabilities	19	153.01	62.69
(iii) Other financial liabilities	20	7.41	8.11
Provisions	21	238.44	91.86
Deferred tax liabilities (net)	40	751.00	786.92
		<b>1,149.86</b>	<b>1,468.64</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	6,419.06	5,245.42
(ii) Lease liabilities	19	84.32	60.75
(iii) Trade payables	22	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		1,072.88	1,305.13
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,994.77	2,338.81
(iv) Other financial liabilities	20	4,086.72	3,000.91
Provisions	21	382.92	423.19
Other current liabilities	23	491.67	997.84
		<b>14,532.34</b>	<b>13,372.05</b>
		<b>44,307.16</b>	<b>42,371.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

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

**Lokesh Khemka**  
Partner  
Membership No.: 067878

Bengaluru  
Wednesday, 28 May 2025

**Parabraham Tadimalla**  
Director  
DIN: 01392252

**H M Narasinga Rao**  
Chief Financial Officer

**Kaleginanaoor Chandrashekar Sharma**  
Director  
DIN: 09505130

**Suchithra R**  
Company Secretary  
ACS : 70262

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

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

**A Venkatakrishnan**  
Chief Executive Officer

## Standalone Statement of Profit and Loss for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	24	39,246.34	36,396.92
Other income	25	446.69	700.86
<b>Total revenue</b>		<b>39,693.03</b>	<b>37,097.78</b>
<b>Expenses</b>			
Cost of materials consumed	26	19,576.83	19,304.63
Purchases of stock-in-trade	27	2,004.05	2,149.97
Changes in stock of finished goods, work-in-progress and stock-in-trade	28	221.19	(515.79)
Employee benefits expense	29	5,124.53	4,379.12
Finance costs	30	711.43	619.07
Depreciation and amortisation expense	31	1,246.65	944.00
Other expenses	32	9,011.45	8,121.11
<b>Total expenses</b>		<b>37,896.13</b>	<b>35,002.11</b>
<b>Profit before tax</b>		<b>1,796.90</b>	<b>2,095.67</b>
<b>Tax expense/(benefit)</b>	39		
(a) Current tax (income)/charge		117.94	446.86
(b) Current tax of earlier years		316.95	-
(c) Deferred tax charge		300.48	189.52
(d) Deferred tax income for earlier years		(322.47)	-
<b>Total tax expense</b>		<b>412.90</b>	<b>636.38</b>
<b>Profit after tax</b>		<b>1,384.00</b>	<b>1,459.29</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit / (loss)</b>			
Remeasurement losses on defined benefit plan		108.32	53.47
Income tax effect on above item		(13.93)	(19.26)
<b>Other comprehensive income net of tax</b>		<b>94.39</b>	<b>34.21</b>
<b>Total comprehensive income for the year</b>		<b>1,289.61</b>	<b>1,425.08</b>
<b>Earnings per equity share (face value of ₹10 per share)</b>			
Basic	34	10.65	11.44
Diluted	34	10.65	11.44

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Lokesh Khemka

Partner

Membership No.: 067878

Parabrahman Tadimalla

Director

DIN: 01392252

Kaleginanaoor Chandrashekar Sharma

Director

DIN: 09505130

C P Rangachar

Managing Director

DIN: 00310893

H M Narasinga Rao

Chief Financial Officer

Suchithra R

Company Secretary

ACS : 70262

A Venkatakrisnan

Cheif Executive Officer

Bengaluru

Wednesday, 28 May 2025

## Standalone Statement of Cash Flows for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2025	Year ended 31 March 2024
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,796.90</b>	<b>2,095.67</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	1,165.62	875.01
Depreciation on right of use assets	81.03	68.99
Net unrealised exchange (gain)/loss	(14.75)	12.48
Loss on sale of assets scrapped	10.57	0.76
Interest expense	711.43	619.07
Provision for doubtful trade receivables	81.26	97.02
Provision for advances & other receivables	82.74	-
Bad debts written off	-	68.95
Interest income	(75.38)	(106.28)
Guarantee commission income	(48.06)	(58.49)
Profit on sale of assets	-	(1.83)
Liabilities no longer required written back	-	(4.86)
<b>Operating profit before working capital changes</b>	<b>3,791.36</b>	<b>3,666.49</b>
<b>Net changes in working capital</b>		
Decrease / (Increase) in inventories	430.13	(463.27)
(Increase) in trade receivables	(756.86)	(579.74)
(Increase) / Decrease in loans	(0.84)	12.62
(Increase) in other financial assets	(14.26)	(70.16)
Decrease / (Increase) in other assets	199.91	(728.38)
(Decrease) in trade payables	(561.54)	(1,587.84)
Increase in other financial liabilities	1,122.78	1,759.99
(Decrease) in provisions	(2.01)	(34.29)
(Decrease) / Increase in non-financial liabilities	(506.17)	516.82
<b>Cash generated from operations</b>	<b>3,702.50</b>	<b>2,492.24</b>
Net income tax paid (net of refunds)	(561.94)	(197.65)
<b>Net cash generated from operating activities (A)</b>	<b>3,140.56</b>	<b>2,294.59</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(3,760.92)	(3,052.68)
Proceeds from disposal of property, plant and equipment	7.11	32.43
Investment in bank deposits (net)	16.05	15.36
Proceeds from sale of investment in Associate	1.64	-
Interest received	77.48	60.39
<b>Net cash used in investing activities (B)</b>	<b>(3,658.64)</b>	<b>(2,944.50)</b>

## Standalone Statement of Cash Flows for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2025	Year ended 31 March 2024
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares	-	6,290.00
Repayment of long-term borrowings	(519.06)	(796.56)
Proceeds from / (Repayments of) short term borrowings (net)	1,173.64	(3,262.71)
Repayment of principal amount on lease liability	(89.23)	(79.25)
Repayment of interest amount on lease liability	(14.08)	(13.58)
Interest paid	(675.91)	(606.49)
Dividend paid	(193.66)	(104.16)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(318.30)</b>	<b>1,427.25</b>
<b>Net (Decrease) / Increase in cash and cash equivalents ( A + B + C )</b>	<b>(836.38)</b>	<b>777.34</b>
Cash and cash equivalents at the beginning of the year	985.77	208.43
<b>Cash and cash equivalents at the end of the year</b>	<b>149.39</b>	<b>985.77</b>
<b>Cash and cash equivalents comprises:</b>		
Balances with banks		
(i) in current accounts	146.53	982.61
(ii) In EEFC accounts	1.19	0.98
Cash on hand	1.67	2.18
<b>Cash and cash equivalents as per Standalone Balance Sheet</b>	<b>149.39</b>	<b>985.77</b>

### The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

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

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

**Lokesh Khemka**  
Partner  
Membership No.: 067878

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**Kaleginanaoor Chandrashekar Sharma**  
Director  
DIN: 09505130

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

Bengaluru  
Wednesday, 28 May 2025

**H M Narasinga Rao**  
Chief Financial Officer

**Suchithra R**  
Company Secretary  
ACS : 70262

**A Venkatakrishnan**  
Chief Executive Officer

## Standalone Statement of Changes in Equity for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
<b>As at 01 April 2023</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	10.00	100.00
<b>As at 31 March 2024</b>	<b>130.00</b>	<b>1,300.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2025</b>	<b>130.00</b>	<b>1,300.00</b>

### B. Other Equity

	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	Other Reserves (General Reserve)	Retained earnings	Remeasurement on defined benefit plan	
<b>Balance as at 01 April 2023</b>	<b>(64.60)</b>	-	<b>506.30</b>	<b>18,310.08</b>	<b>(32.51)</b>	<b>18,719.27</b>
Profit for the year	-	-	-	1,459.29	-	<b>1,459.29</b>
Shares issued at premium	-	6,190.00	-	-	-	<b>6,190.00</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(34.21)	<b>(34.21)</b>
Dividend	-	-	-	(104.00)	-	<b>(104.00)</b>
<b>Balance as at 31 March 2024</b>	<b>(64.60)</b>	<b>6,190.00</b>	<b>506.30</b>	<b>19,665.37</b>	<b>(66.72)</b>	<b>26,230.35</b>
Profit for the year	-	-	-	1,384.00	-	<b>1,384.00</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(94.39)	<b>(94.39)</b>
Dividend	-	-	-	(195.00)	-	<b>(195.00)</b>
<b>Balance as at 31 March 2025</b>	<b>(64.60)</b>	<b>6,190.00</b>	<b>506.30</b>	<b>20,854.37</b>	<b>(161.11)</b>	<b>27,324.96</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**For Walker Chandio & Co LLP**  
Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Lokesh Khemka**

Partner  
Membership No.: 067878

**Parabrahman Tadimalla**

Director  
DIN: 01392252

**Kaleginanaoor Chandrashekar Sharma**

Director  
DIN: 09505130

**C P Rangachar**

Managing Director  
DIN: 00310893

Bengaluru  
Wednesday, 28 May 2025

**H M Narasinga Rao**  
Chief Financial Officer

**Suchithra R**  
Company Secretary  
ACS : 70262

**A Venkatakishnan**  
Chief Executive Officer

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 1

#### Corporate information

Yuken India Limited ('the Company') was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt), Peenya Industrial Area, Bengaluru and Haryana. Sales and distribution network is spread across India. The Company has its registered office at No 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore - 560 048, India and its corporate office at PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District - 563 130, India. The Company manufactures a wide range of vane pumps, piston pumps, gear pumps, pressure controls, flow controls, directional controls, modular control valves, servo valves, custom built/standard hydraulic systems and chip compactor. The Company is listed on BSE and NSE.

### Note 2

#### Material accounting policy information

##### (a) Statement of compliance

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on 28 May 2025.

##### (b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its standalone financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, other relevant provision of the Companies Act, 2013 as applicable and presentation requirements of Division II of schedule III of the Companies Act, 2013. Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2025, and accounting policies and other explanatory information (together hereinafter referred to as "standalone financial statements").

The standalone financial Statements have been prepared using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these standalone financial statements.

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

##### (c) Use of estimates and judgements

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

The Company bases its estimates and assumptions on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the standalone financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### **Classification of leases**

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

### **Recognition of deferred tax assets**

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

### **Evaluation of indicators for impairment of assets**

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

### **Recoverability of advances / receivables**

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

### **Useful lives of depreciable / amortisable assets**

The useful life and residual value of property, plant and equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

### **Defined benefit obligation (DBO)**

“The cost of the defined benefit plans and other long-term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to the changes in these assumptions.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered on long term basis for future periods after analysing past observable data on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

### **(d) Current versus non-current classification**

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

An asset is treated as current when it is:

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

### (e) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income or expense (as applicable).

Subsequent expenditure related to an item of the property, plant and equipment is added to its book value only if it increases the future benefit from the existing assets beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, capital work in progress, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Freehold land is not depreciated. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery*	3-15
Furniture and fixtures	10
Vehicles	8
Jigs and fixtures*	5
Office equipment and Electrical installations*	5-10

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

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

### (f) Investment property

#### Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company measures investment property using cost based measurement and the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognition.

#### Depreciation

Depreciation on Investment Property (except freehold land) is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

### (g) Intangible assets

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortization expense.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

"At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. An asset's recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss. The reversal is limited so that the carrying amount, of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### (i) Revenue recognition

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

#### Sale of goods

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

#### Dividend income

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

#### Interest income

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### **Rental income**

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

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

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

### **Duty drawback**

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

## **(j) Employee benefits**

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

### **Defined contribution plan**

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service.

### **Defined benefit plan**

#### **Gratuity**

#### **Compensated absences**

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

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

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Compensated absences

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

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

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

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

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

### Short-term employee benefits

All employee benefit payable wholly within twelve months of rendering the service are classified as short-term employee benefits payable. These include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

### (k) Inventories

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (l) Investments in subsidiaries and associates

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

### (m) Taxes on income

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### (n) Provisions and contingencies

#### Provisions

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

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that

## Summary of material accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

### Contingent assets

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

### (o) Financial instruments

#### Financial assets

##### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Consolidated Statement of Profit and Loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### Initial recognition and measurement

The Company initially recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets (excluding trade receivables) are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. Regular way of purchase and sale of financial assets are accounted for at trade date.

##### Trade Receivables -

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

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

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

##### Subsequent measurement

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

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### **i. Debt instruments at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

### **ii. Debt instrument at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI."

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

### **iii. Debt instrument at FVTPL**

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

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

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

### **iv. Equity investments**

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### De-recognition of financial assets

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Financial liabilities

#### *Initial recognition and measurement*

The Company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at a fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit or Loss.

#### *Loans and borrowings*

Borrowings are initially recognized at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest rate (EIR) method. Income and Expense are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### *Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of financial instrument**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(p) Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-months ECL.

### **(q) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### (r) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### (s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units, which constitutes its single reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### (t) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

## Summary of material accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### (u) Earnings/ (Loss) per Share (EPS)

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

### (v) Statement of Cash Flows

"The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Amended Accounting Standards (Ind AS) and interpretations effective during the period

The MCA has notified below new standards / amendments which were effective from 01 April 2024.

Amendments to Ind AS 116 - Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of Use asset it retains.

Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Financial Statements.

Amendment effective for annual reporting periods beginning on or after April 01, 2025

The MCA has notified below amendment which were effective from April 01,2025.

Amendment to Ind AS 21- "The Effects of Changes in Foreign Exchange Rates"

The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also requires the disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows

When applying the amendment, an entity cannot restate comparative information.

The amendments will not have a material impact on the Company's financial statements.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (w) Other Accounting policies

#### (i) Leases

*Company as a lessee*

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

- (i) the contract involves the use of an identified asset
- (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3 Property, plant and equipment

Gross carrying amount	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and Fixtures	Office equipment	Jigs and Fixtures	Motor vehicles	Total
<b>Balance as at 31 March 2023</b>	<b>2,168.56</b>	<b>5,450.67</b>	<b>4,981.30</b>	<b>291.71</b>	<b>378.52</b>	<b>728.49</b>	<b>785.69</b>	<b>12.89</b>	<b>14,797.83</b>
Additions	-	733.40	1,623.02	13.35	139.19	86.86	174.31	-	2,770.13
Disposals	-	-	(35.72)	-	(9.79)	(0.82)	-	(1.04)	(47.37)
<b>Balance as at 31 March 2024</b>	<b>2,168.56</b>	<b>6,184.07</b>	<b>6,568.60</b>	<b>305.06</b>	<b>507.92</b>	<b>814.53</b>	<b>960.00</b>	<b>11.85</b>	<b>17,520.59</b>
Additions	-	680.45	2,312.56	99.84	159.05	110.11	339.32	18.96	3,720.29
Movement from Investment property	-	670.47	-	-	241.40	-	-	-	911.87
Disposals	-	-	(114.75)	(0.90)	(47.25)	-	(46.65)	(19.65)	(229.20)
<b>Balance as at 31 March 2025</b>	<b>2,168.56</b>	<b>7,534.99</b>	<b>8,766.41</b>	<b>404.00</b>	<b>861.12</b>	<b>924.64</b>	<b>1,252.67</b>	<b>11.16</b>	<b>21,923.55</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>1,048.58</b>	<b>1,381.10</b>	<b>83.01</b>	<b>83.62</b>	<b>379.25</b>	<b>189.07</b>	<b>9.45</b>	<b>3,174.08</b>
Depreciation for the year	-	159.10	351.85	15.49	38.86	75.43	57.56	0.17	698.46
Disposals	-	-	(5.93)	-	(9.30)	(0.78)	-	-	(16.01)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>1,207.68</b>	<b>1,727.02</b>	<b>98.50</b>	<b>113.18</b>	<b>453.90</b>	<b>246.63</b>	<b>9.62</b>	<b>3,856.53</b>
Depreciation for the year	-	195.39	536.17	22.73	78.82	86.67	113.35	1.70	1,034.83
Movement from Investment property	-	11.34	-	-	17.52	-	-	-	28.86
Disposals	-	-	(107.21)	(0.85)	(40.18)	-	(44.61)	(18.67)	(211.52)
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>1,414.41</b>	<b>2,155.98</b>	<b>120.38</b>	<b>169.34</b>	<b>540.57</b>	<b>315.37</b>	<b>(7.35)</b>	<b>4,708.70</b>
<b>Net carrying amount</b>									
<b>Balance as at 31 March 2024</b>	<b>2,168.56</b>	<b>4,976.39</b>	<b>4,841.58</b>	<b>206.56</b>	<b>394.74</b>	<b>360.63</b>	<b>713.37</b>	<b>2.23</b>	<b>13,664.06</b>
<b>Balance as at 31 March 2025</b>	<b>2,168.56</b>	<b>6,120.58</b>	<b>6,610.43</b>	<b>283.62</b>	<b>691.78</b>	<b>384.07</b>	<b>937.30</b>	<b>18.51</b>	<b>17,214.85</b>

#### Note:

**(a) Contractual obligations / Commitments**

Refer note 35 (b)

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

Details of properties pledged are as per note 18.

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

## Summary of material accounting policies and other explanatory information

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All amounts are in ₹ lakhs, unless otherwise stated

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

- (d) The Company has leased out assets to its subsidiaries on which rental income is earned amounting to ₹54.81 (31 March 2024: ₹51.51). Details of such assets are as follows:

Gross carrying amount	Freehold land	Buildings	Total
<b>Balance as at 01 April 2023</b>	<b>140.07</b>	<b>1,002.81</b>	<b>1,142.88</b>
Additions	-	50.60	<b>50.60</b>
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>140.07</b>	<b>1,053.41</b>	<b>1,193.48</b>
Additions	-	69.05	<b>69.05</b>
Disposals	-	-	-
<b>Balance as at 31 March 2025</b>	<b>140.07</b>	<b>1,122.46</b>	<b>1,262.53</b>
Accumulated depreciation			
<b>Balance as at 01 April 2023</b>	-	<b>181.08</b>	<b>181.08</b>
Depreciation for the year	-	39.11	<b>39.11</b>
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	-	<b>220.19</b>	<b>220.19</b>
Depreciation for the year	-	40.40	<b>40.40</b>
Disposals	-	-	-
<b>Balance as at 31 March 2025</b>	-	<b>260.59</b>	<b>260.59</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2024</b>	<b>140.07</b>	<b>833.22</b>	<b>973.29</b>
<b>Balance as at 31 March 2025</b>	<b>140.07</b>	<b>861.87</b>	<b>1,001.94</b>

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

	As at 31 March 2025	As at 31 March 2024
Opening balance	1,349.95	936.67
Add: Additions during the year	3,004.95	3,368.83
Less: Capitalised during the year	(3,843.02)	(2,955.55)
	<b>511.88</b>	<b>1,349.95</b>

### Capital work in progress ageing schedule

	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>					
Projects in progress	511.88	-	-	-	<b>511.88</b>
	<b>511.88</b>	-	-	-	<b>511.88</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3A Capital work-in-progress (contd)

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

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

(A) There are no projects in progress under 'Capital work in progress' whose completion is overdue or has exceeded its cost compared to its original plan.

(B) There are no projects that have been suspended as on 31 March 2025 and 31 March 2024.

### Note 3B Investment Property

	Buildings	Total
<b>Gross carrying amount</b>		
<b>Balance as at 01 April 2023</b>	<b>1,751.45</b>	<b>1,751.45</b>
Additions	74.92	<b>74.92</b>
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>1,826.37</b>	<b>1,826.37</b>
<b>Additions</b>	-	-
Moved to property plant and equipment*	911.87	<b>911.87</b>
Disposals	-	-
<b>Balance as at 31 March 2025</b>	<b>914.50</b>	<b>914.50</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 01 April 2023</b>	<b>1.51</b>	<b>1.51</b>
Depreciation for the year	57.85	<b>57.85</b>
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>59.36</b>	<b>59.36</b>
Depreciation for the year	29.38	<b>29.38</b>
Moved to property plant and equipment*	28.86	<b>28.86</b>
Disposals	-	-
<b>Balance as at 31 March 2025</b>	<b>59.88</b>	<b>59.88</b>
<b>Net carrying amount</b>		
<b>Balance as at 31 March 2024</b>	<b>1,767.01</b>	<b>1,767.01</b>
<b>Balance as at 31 March 2025</b>	<b>854.62</b>	<b>854.62</b>

The fair value of apartments included in investment property is ₹975.75 (31 March 2024: ₹1,655.64) as against the cost amounting to ₹854.62 (31 March 2024: ₹1,370.07), and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased and rental income of ₹50.64 (31 March 2024: ₹47.79) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 25)."

Fair value hierarchy disclosures for investment properties have been provided in Note 41(b).

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3B Investment Property (contd)

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

\*The Company has reclassified a portion of Investment property to Property, plant and equipment as the Company uses the portion of these properties for self-use

### Note 4 Intangible assets

	ERP software	Technical fee	Intellectual property	Total
<b>Balance as at 01 April 2023</b>	<b>303.22</b>	<b>4.06</b>	<b>409.51</b>	<b>716.79</b>
Additions	51.50	-	-	<b>51.50</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>354.72</b>	<b>4.06</b>	<b>409.51</b>	<b>768.29</b>
Additions	122.65	-	-	<b>122.65</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>477.37</b>	<b>4.06</b>	<b>409.51</b>	<b>890.94</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 01 April 2023</b>	<b>201.71</b>	<b>4.05</b>	<b>213.75</b>	<b>419.51</b>
Amortisation for the year	43.86	-	74.84	<b>118.70</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>245.57</b>	<b>4.05</b>	<b>288.59</b>	<b>538.21</b>
Amortisation for the year	43.00	-	58.41	<b>101.41</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>288.57</b>	<b>4.05</b>	<b>347.00</b>	<b>639.62</b>
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2024</b>	<b>109.15</b>	<b>0.01</b>	<b>120.92</b>	<b>230.08</b>
<b>Balance as at 31 March 2025</b>	<b>188.80</b>	<b>0.01</b>	<b>62.51</b>	<b>251.32</b>

### Note 5 Right-of-use assets

	Leasehold Land	Servers	Laptops	Total
<b>Balance as at 31 March 2023</b>	-	<b>86.84</b>	<b>173.02</b>	<b>259.86</b>
Additions	-	-	58.98	<b>58.98</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	-	<b>86.84</b>	<b>232.00</b>	<b>318.84</b>
Additions	369.11	133.21	69.92	<b>572.24</b>
Disposals	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>369.11</b>	<b>220.05</b>	<b>301.92</b>	<b>891.08</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 01 April 2023</b>	-	68.04	49.36	<b>117.40</b>
Amortisation for the year	-	17.37	51.62	<b>68.99</b>
Disposals	-	-	-	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

	Leasehold Land	Servers	Laptops	Total
<b>Balance as at 31 March 2024</b>	-	<b>85.41</b>	<b>100.98</b>	<b>186.39</b>
Amortisation for the year		20.42	60.61	<b>81.03</b>
Disposals		-	-	-
<b>Balance as at 31 March 2025</b>	-	<b>105.83</b>	<b>161.59</b>	<b>267.42</b>
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2024</b>	-	<b>1.43</b>	<b>131.02</b>	<b>132.45</b>
<b>Balance as at 31 March 2025</b>	<b>369.11</b>	<b>114.22</b>	<b>140.33</b>	<b>623.66</b>

#### Note:

Lease liabilities: Refer note 19.

### Note 6 Investments

	Face value	As at 31 March 2025		As at 31 March 2024	
		No of Shares	Amount	No of Shares	Amount
<b>Trade (Unquoted)</b>					
<b>Valued at cost</b>					
<b>Investment in equity shares of subsidiaries:</b>					
Coretec Engineering India Private Limited	10	36,19,200	380.06	36,19,200	380.06
Grotek Enterprises Private Limited	10	50,10,000	523.00	50,10,000	523.00
Kolben Hydraulics Limited	10	28,59,700	285.97	28,59,700	285.97
<b>Extent of Investment in subsidiaries in %</b>					
Coretec Engineering India Private Limited		100.00%		100.00%	
Grotek Enterprises Private Limited		100.00%		100.00%	
Kolben Hydraulics Limited		95.30%		95.30%	
<b>Investment in equity shares of associates:</b>					
Sai India Limited	10	3,60,000	20.00	3,60,000	20.00
Bourton Consulting (India) Private Limited	10	-	-	24,675	2.46
<b>Extent of Investment in associates in %</b>					
Sai India Limited			40.00%		40.00%
Bourton Consulting (India) Private Limited (Refer Note(E))			-		19.54%
<b>Investments measured at fair value through OCI</b>					
Bourton Consulting (India) Private Limited (Refer Note(E))	10	23,800	2.38	-	-
Hycorn Engineering (India) Private Limited (Refer note (D))	10	9,41,330	94.13	9,41,330	94.13
The Shamrao Vittal Co-operative Bank Limited (Refer note (D))	10	2,000	0.50	2,000	0.50
Less : Provision for other than temporary diminution in value			(94.63)		(94.63)
			<b>1,211.41</b>		<b>1,211.49</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 6 Investments (contd)

#### Notes

<b>(A) Aggregate value of unquoted investments</b>	<b>1,306.04</b>	<b>1,306.12</b>
<b>(B) Aggregate value of impairment recorded</b>	<b>94.63</b>	<b>94.63</b>
<b>(C) Evaluation of indicators for impairment of investment</b>		

The recoverable value of the investment in subsidiaries for impairment testing was determined using discounted cash flow approach which involves significant judgement and estimates. The discount rate applied to the cash flow projections is 15.01% to 15.43% and cash flows beyond the five-year period were extrapolated using a growth rate of 5.00%

As at 31 March 2025, the estimated recoverable amount of the investment exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

- (D)** The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.
- (E)** The Company had passed a resolution on 9 August 2023 proposing to sell its stake in Bourton Consulting (India) Private Limited. The Company had reclassified 10% of its shareholding in the Associate i.e. 12,625 shares of ₹10 each to Investment Held for Sale during the FY2023-2024. During the current financial year, the Company sold 13,500 shares dated 25 September 2024 which reduced the Company's stake in Bourton Consulting (India) Private Limited to 18.85%, hence Bourton Consulting (India) Private Limited is no longer an associate entity of the Company.

### Note 7 Loans

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Loan to employees	20.45	37.69
Others	0.20	0.20
	<b>20.65</b>	<b>37.89</b>
<b>Current</b>		
(Unsecured, considered good)		
Loan to employees	39.99	21.91
	<b>39.99</b>	<b>21.91</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 8 - Other financial assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Balance held as margin money	7.70	12.90
(Unsecured, considered doubtful)		
Other receivables	57.16	57.16
Less: Allowances for doubtful receivables	(57.16)	-
	<b>7.70</b>	<b>70.06</b>
<b>Current</b>		
(Unsecured, considered good)		
Security deposits	119.45	274.71
Interest accrued on deposits	14.63	16.73
Other receivables from related parties (Refer note 43)	10.93	5.13
Other receivables	13.52	7.05
	<b>158.53</b>	<b>303.62</b>

#### Note:

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

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

### Note 9 - Other assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Prepaid expenses	27.11	205.81
Deferred loan discounting	0.77	2.37
Capital advances	1,046.99	293.37
(Unsecured, considered doubtful)		
Capital advances	25.58	-
Less: Allowance for doubtful capital advance	(25.58)	-
	<b>1,074.87</b>	<b>501.55</b>
<b>Current</b>		
(Unsecured, considered good)		
Prepaid expenses	352.55	243.04
Deferred loan discounting	1.59	2.39
Advance to related parties (Refer note 43)	3,858.65	4,107.83
Advance to suppliers	92.66	182.44
Duty drawback receivable	4.48	5.65
Other advances	1.39	1.46
	<b>4,311.32</b>	<b>4,542.81</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 10 - Inventories

	As at 31 March 2025	As at 31 March 2024
(Lower of cost and net realisable value)		
Raw materials and components (includes goods in transit amounting to ₹225.38 (31 March 2024: Nil))	2,842.69	3,051.63
Work-in-progress	1,646.40	1,625.97
Finished goods (other than those acquired for trading)	1,244.34	1,351.40
Stock-in-trade	380.29	514.85
	<b>6,113.72</b>	<b>6,543.85</b>

Note :

- The Company has recorded inventory at lower of cost and net realisable value.
- Write-downs of inventories on account of slow moving and obsolete items amounted to ₹53.09 (31 March 2024: ₹23.41)

### Note 11 - Trade receivables

	As at 31 March 2025	As at 31 March 2024
Trade receivable considered good - unsecured	11,431.29	10,865.54
Trade receivables - credit impaired	379.56	188.45
	<b>11,810.85</b>	<b>11,053.99</b>
Less: Allowance for credit loss	379.56	298.30
	<b>11,431.29</b>	<b>10,755.69</b>

### Trade receivables ageing schedule

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>						
Undisputed Trade receivables - considered good	10,278.07	848.08	188.63	108.78	7.73	11,431.29
Undisputed trade receivables - credit impaired	-	43.05	24.85	59.66	252.00	379.56
	<b>10,278.07</b>	<b>891.13</b>	<b>213.48</b>	<b>168.44</b>	<b>259.73</b>	<b>11,810.85</b>
<b>As at 31 March 2024</b>						
Undisputed Trade receivables - considered good	9,706.52	486.41	418.78	70.77	183.06	10,865.54
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	3.65	184.80	<b>188.45</b>
	<b>9,706.52</b>	<b>486.41</b>	<b>418.78</b>	<b>74.43</b>	<b>367.86</b>	<b>11,053.99</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 12 - Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Cash on hand	1.67	2.18
Balances with banks		
(i) In current accounts	146.53	982.61
(ii) In EEFC accounts	1.19	0.98
	<b>149.39</b>	<b>985.77</b>

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

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
In earmarked accounts		
(i) Unpaid dividend accounts	7.72	6.38
(ii) Unspent CSR accounts	6.39	6.39
(iii) Balance held as margin money (Refer Note 8(a))	36.45	48.64
	<b>50.56</b>	<b>61.41</b>

### Note 14 - Tax assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Income tax (net of provision for tax)	281.40	-
	281.40	-
<b>Current</b>		
Income tax (net of provision for tax)	-	189.89
	-	<b>189.89</b>

### Note 15 - Investments held for sale

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Bourton Consulting (India) Private Limited (Measured at fair value through profit and loss) (12,625 shares of face value ₹10 each) (Refer Note 6)	-	1.56
	-	<b>1.56</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 16 Equity share capital

	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	1,30,00,000	1,300.00	1,30,00,000	1,300.00
	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,30,00,000</b>	<b>1,300.00</b>

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

	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
<b>Equity shares of ₹10 each, par value</b>				
Balances as at the beginning of the year	1,30,00,000	1,300.00	1,20,00,000	1,200.00
Add: Issued and subscribed during the year (Refer below Note)	-	-	10,00,000	100.00
<b>Balance at the end of the year</b>	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,30,00,000</b>	<b>1,300.00</b>

**Note:** The Company pursuant to the Board meeting held on 23 May 2025, considered the issue of equity shares not exceeding 7,00,000 shares to Yuken Kogyo Company Limited, Japan, promoter of the Company at an issue price payable in cash, not less than the floor price computed as on relevant date, as determined in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018, on Preferential Basis as per the provisions of SEBI (ICDR) Regulations, 2018, as amended subject to the approval of shareholders.

#### (b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (c) The Board of Directors, in its meeting held on 28 May 2025, proposed a final dividend of 15% (₹1.5 per equity share) for the financial year ended 31 March 2025. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹195.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

	As at 31 March 2025		As at 31 March 2024	
	Number	Percentage	Number	Percentage
<b>Equity shares of ₹10 each, par value</b>				
Yuken Kogyo Co. Limited	58,00,000	44.62%	58,00,000	44.62%
Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	13,91,808	10.71%
GKK Capital Markets Private Limited	-	-	8,20,000	6.31%

### (f) Disclosure of Shareholding of Promoters

Equity shares of ₹10 each with voting rights:

Promoter Name	No.of Shares	% Of total shares	% Change during the Year
<b>As at 31 March 2025:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	0.00%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	0.00%
3. C P Rangachar	84,400	0.65%	0.00%
4. Vidya Rangachar	16,000	0.12%	0.00%
5. Madhuri Rangachar	8,000	0.06%	0.00%
	<b>73,00,208</b>	<b>56.16%</b>	<b>0.00%</b>
<b>As at 31 March 2024:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	11.55%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	-7.67%
3. C P Rangachar	84,400	0.65%	-7.14%
4. Vidya Rangachar	16,000	0.12%	-7.69%
5. Madhuri Rangachar	8,000	0.06%	-14.29%
	<b>73,00,208</b>	<b>56.16%</b>	<b>-25.24%</b>

### Note 17 - Other equity

	As at 31 March 2025	As at 31 March 2024
General reserve	506.30	506.30
Retained earnings	20,854.37	19,665.37
Remeasurement on defined benefit plan	(161.11)	(66.72)
Capital Reserve	(64.60)	(64.60)
Securities Premium	6,190.00	6,190.00
	<b>27,324.96</b>	<b>26,230.36</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### General reserve:

General reserve represents appropriation of profits.

### Retained earnings:

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

### Capital Reserve:

Capital Reserve has been created on account of merger of Yuflow Engineering Private Limited.

### Securities Premium:

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

## Note 18 - Borrowings

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Secured)		
Term loans from banks	519.06	1,038.12
	<b>519.06</b>	<b>1,038.12</b>
Less: Current maturities of long-term borrowings	519.06	519.06
	-	<b>519.06</b>
<b>Current</b>		
(Secured)		
Loans repayable on demand from banks	5,100.00	4,026.36
Current maturities of long-term borrowings	519.06	519.06
(Unsecured)		
Working capital loans from banks	800.00	700.00
	<b>6,419.06</b>	<b>5,245.42</b>

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

#### (a) Secured borrowings

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

	As at 31 March 2025	As at 31 March 2024
<b>Mizuho Bank Limited</b>		
Loan limit	2,500.00	2,500.00
Loan availed	1,974.62	1,974.62
Amount outstanding	519.06	1,038.12
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate - MCLR rates		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

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

(a) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹2,500.

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

	As at 31 March 2025	As at 31 March 2024
<b>Mizuho Bank Limited</b>		
Loan limit	3,000.00	3,000.00
Amount outstanding	2,500.00	2,000.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited</b>		
Loan limit	1,200.00	1,200.00
Amount outstanding	-	213.04
Repayable on demand		
Interest rate - MCLR rates		
<b>State Bank of India (SBI)</b>		
Loan limit	150.00	150.00
Amount outstanding	-	113.32
Repayable on demand		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation(SMBC)</b>		
Loan limit	5,000.00	5,000.00
Amount outstanding	2,600.00	1,700.00
Repayable on demand		
Interest rate - MCLR rates		

#### Details of security given

##### State Bank of India (SBI)

- (i) Primary security : Hypothecation on stocks, receivables and other current assets- paripassu charge with HDFC Bank Limited
- (ii) Collateral security details:
  - (a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.
  - (b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.
  - (c) Hypothecation of unencumbered fixed assets of the Company.

##### HDFC Bank Limited

- (i) First pari pasu charge on stocks, book debts and other current assets with SBI Bank
- (ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur.
- (iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

(iv) First charge on all movable fixed assets of the company - first paripassu charge with SBI Bank

#### Sumitomo Mitsui Banking Corporation (SMBC)

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

#### Mizuho Bank Limited

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

#### (c) Unsecured working capital loans from banks

	As at 31 March 2025	As at 31 March 2024
<b>Bank of Tokyo (MUFG)</b>		
Loan limit	1,850.00	1,850.00
Amount outstanding	800.00	700.00
Repayable on demand		
Interest rate - MCLR rates		

#### (d) Assets pledged as security

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

	As at 31 March 2025	As at 31 March 2024
<b>Term Loans and Loans repayable on demand</b>		
Land and building (Net carrying value)	7,630.01	7,144.95
Inventories	6,113.72	6,543.85
Trade receivables	11,431.29	10,755.69
Other financial and non financial assets	4,709.79	5,917.08
Movable Property, plant and equipment	8,925.71	6,519.11

#### Note:

The Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Company has carried out a reconciliation between these statements filed with the books of account and no material differences were noted on the same.

#### (e) Reconciliation of liabilities arising from Company's financing activities

	As at 31 March 2025	As at 31 March 2024
Opening balance	5,764.48	9,823.75
Proceeds from long-term borrowings	-	-
Net movement in working capital borrowings	1,173.64	(3,262.71)
Repayment of long-term borrowings	(519.06)	(796.56)
<b>Closing balance</b>	<b>6,419.06</b>	<b>5,764.48</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Lease liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Lease liabilities (Refer note 48)	153.01	62.69
	<b>153.01</b>	<b>62.69</b>
<b>Current</b>		
Lease liabilities (Refer note 48)	84.32	60.75
	<b>84.32</b>	<b>60.75</b>
<b>Movement in lease liabilities</b>		
Balance at the beginning of the year	123.44	143.72
Lease liability recognised during the year	203.13	58.97
Finance cost incurred during the year	14.08	13.58
Payment of lease liabilities	(103.32)	(92.83)
<b>Balance at the end of the year</b>	<b>237.33</b>	<b>123.44</b>

### Note 20 - Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Uncharged guarantee commission income	4.94	5.64
Others security deposits	2.47	2.47
	<b>7.41</b>	<b>8.11</b>
<b>Current</b>		
Trade / security deposits received	576.25	527.09
Payable to employees	565.77	657.80
Uncharged guarantee commission income	8.45	-
Interest accrued but not due on borrowings	2.90	6.33
Unpaid dividends	7.72	6.38
Capital creditors	194.64	171.49
Interest accrued on trade payables (Refer note 36)	18.10	28.77
Other (Payables to LIC)	0.86	0.99
Other (Payables to RXIL)	2,712.03	1,602.06
	<b>4,086.72</b>	<b>3,000.91</b>

#### Note: Payables to RXIL

Last year, the Company entered into an arrangement with RXIL. Under this arrangement, the bank advances the payment to the vendor through RXIL platform at an interest rate that is lower than the market. The balance outstanding amount of ₹2,712.03 (FY 2023-24 ₹1,602.06) lakhs pertains to amount payable to bank as per this arrangement.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 21 - Provisions

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Provision for defined benefit obligations (Refer note 40)	238.44	91.86
	<b>238.44</b>	<b>91.86</b>
<b>Current</b>		
Provision for compensated absences (Refer note 42)	382.92	306.56
Provision for defined benefit obligations (Refer note 42)	-	74.44
Provision for superannuation	-	42.19
	<b>382.92</b>	<b>423.19</b>

### Note 22 - Trade payables

	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (MSE) (Refer note 36)	1,072.88	1,305.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,994.77	2,338.81
	<b>3,067.65</b>	<b>3,643.94</b>

### Trade payables ageing schedule

	Outstanding for following periods from date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>						
Dues to MSE	-	1,072.07	0.81	-	-	<b>1,072.88</b>
Dues to Others	291.05	1,687.68	0.82	9.77	5.45	<b>1,994.77</b>
	<b>291.05</b>	<b>2,759.75</b>	<b>1.63</b>	<b>9.77</b>	<b>5.45</b>	<b>3,067.65</b>
<b>As at 31 March 2024</b>						
Dues to MSE	-	1,302.01	1.77	1.16	0.19	<b>1,305.13</b>
Dues to Others	269.73	2,042.95	12.99	0.99	12.15	<b>2,338.81</b>
	<b>269.73</b>	<b>3,344.96</b>	<b>14.76</b>	<b>2.15</b>	<b>12.34</b>	<b>3,643.94</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 23 - Other liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Statutory dues payable	372.90	169.13
Revenue received in advance (Refer note 24)	118.77	828.71
	<b>491.67</b>	<b>997.84</b>

### Note 24 Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Revenue from operations</b>		
Sale of products (Refer note 44)	39,060.03	36,282.99
	<b>39,060.03</b>	<b>36,282.99</b>
<b>Other operating revenue</b>		
Training and other services rendered	184.47	108.91
Duty drawback	1.84	5.02
	<b>186.31</b>	<b>113.93</b>
	<b>39,246.34</b>	<b>36,396.92</b>

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

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	39,060.03	36,282.99
Adjustments:		
Discounts	-	-
<b>Revenue from contracts with customers</b>	<b>39,060.03</b>	<b>36,282.99</b>

### Details of contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables	11,431.29	10,755.69
Revenue received in advance	118.77	828.71
<b>Total</b>	<b>11,550.06</b>	<b>11,584.40</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Movement in contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	828.71	214.35
Less: Revenue recognised from above/ advance forfeited	(828.71)	(214.35)
Add: Additions during the year	118.77	828.71
<b>Closing balance</b>	<b>118.77</b>	<b>828.71</b>
Non-current	-	-
Current	118.77	828.71

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

### Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	Year ended 31 March 2025	Year ended 31 March 2024
<b>Sale of products</b>			
Finished goods	At point in time	39,060.03	36,282.99
<b>Other operating revenue</b>			
Training and other services rendered	Over a period of time	184.47	108.91
Duty drawback	At point in time	1.84	5.02
<b>Sale of products comprises :</b>			
<b>Manufactured goods</b>			
Hydraulic pumps, valves, etc		21,446.19	20,876.25
Hydraulic systems		15,528.89	13,490.61
		<b>36,975.08</b>	<b>34,366.86</b>
<b>Traded goods</b>			
Other Items (Valves, Pumps, Spares etc)		2,084.95	1,916.12
		<b>2,084.95</b>	<b>1,916.12</b>
		<b>39,060.03</b>	<b>36,282.98</b>

In the following table, revenue is disaggregated by primary geographical markets is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
India	38,706.66	35,982.27
Outside India	353.37	300.72
	<b>39,060.03</b>	<b>36,282.99</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 25 - Other income

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Interest income:</b>		
- on deposits with banks	3.16	3.11
- on overdue trade receivables	56.24	64.19
- on others	15.98	103.17
Liabilities/ provisions no longer required written back	-	4.86
Profit on sale of property, plant and equipment (net)	-	1.83
Rental income	105.45	99.30
Sale of scrap	81.73	128.13
Discount received	125.53	237.49
Miscellaneous income (comprises of guarantee commission)	58.60	58.78
	<b>446.69</b>	<b>700.86</b>

### Note 26 - Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock	3,051.63	3,104.15
<b>Add</b> : Purchases	19,367.89	19,252.11
	<b>22,419.52</b>	<b>22,356.26</b>
<b>Less</b> : Closing stock	2,842.69	3,051.63
	<b>19,576.83</b>	<b>19,304.63</b>

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

	Year ended 31 March 2025	Year ended 31 March 2024
Purchase of traded goods	2,004.05	2,149.97
	<b>2,004.05</b>	<b>2,149.97</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Inventories at the end of the year:</b>		
Finished goods	1,244.34	1,351.40
Work-in-progress	1,646.40	1,625.97
Stock-in-trade	380.29	514.85
	<b>3,271.03</b>	<b>3,492.22</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,351.40	893.55
Work-in-progress	1,625.97	1,652.68
Stock-in-trade	514.85	430.20
	<b>3,492.22</b>	<b>2,976.43</b>
	<b>221.19</b>	<b>(515.79)</b>

### Note 29 - Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and wages	4,351.00	3,729.86
Contributions to provident and other funds	320.15	256.61
Contribution to defined benefits plan (Refer note 40)	63.82	57.56
Staff welfare expenses	389.56	335.09
	<b>5,124.53</b>	<b>4,379.12</b>

### Note 30 - Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expenses on borrowings	583.73	598.67
Interest expenses on leases	14.08	13.58
Interest on others	113.62	6.82
	<b>711.43</b>	<b>619.07</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 31 - Depreciation and amortisation expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on Property, plant and equipment (Refer note 3)	1,034.83	698.46
Depreciation on Investment property (Refer note 3B)	29.38	57.85
Amortisation on intangible assets (Refer note 4)	101.41	118.70
Amortisation on right-of-use assets (Refer note 5)	81.03	68.99
	<b>1,246.65</b>	<b>944.00</b>

### Note 32 - Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Consumption of stores and spare parts	371.69	344.97
Tools consumed	566.53	436.17
Consumption of packing materials	474.24	524.80
Subcontracting	2,421.96	2,225.64
Contract labour wages	578.64	525.82
Power and fuel	347.99	310.68
Rent including lease rentals	273.05	229.41
Repairs and maintenance - Buildings	190.83	158.20
Repairs and maintenance - Machinery	482.82	399.63
Repairs and maintenance - Others	28.35	29.20
Vehicle maintenance	67.52	58.24
Insurance	39.20	33.03
Rates and taxes	43.79	37.57
Travelling and conveyance	721.25	672.51
Freight and forwarding	641.02	603.76
Legal and professional charges	442.44	418.64
Remuneration to auditors (Refer note 33 below)	46.77	39.55
Bad trade and other receivables written off	-	68.95
Net loss on foreign currency transactions and translation	54.16	57.43
Loss on sale of property, plant and equipment (net)	10.57	0.76
Provision for doubtful trade receivables	81.26	97.02
Provision for advances & other receivables	82.74	-
Corporate social responsibility expenses (Refer note 47)	41.79	17.07
Miscellaneous expenses	1,002.84	832.06
	<b>9,011.45</b>	<b>8,121.11</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 33 - Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2025	Year ended 31 March 2024
Statutory audit fees	23.50	21.84
Limited review fees	12.00	12.00
Other services (inclusive of certification fees)	4.50	2.50
Tax audit	2.00	2.00
Reimbursement of expenses	4.77	1.21
	<b>46.77</b>	<b>39.55</b>

### Note 34 - Earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Basic and diluted</b>		
Net profit for the year attributable to the equity shareholders	1,384.00	1,459.29
Weighted average number of equity shares	1,30,00,000	1,27,56,831
Par value per share	10.00	10.00
Earnings per share - Basic	10.65	11.44
Earnings per share - Diluted	10.65	11.44

### Note 35 - Contingencies and commitments

#### (a) Contingent liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Claims against the Company not acknowledged as debts</b>		
Disputed income tax liabilities		
(i) AY 2009-10	19.10	19.10
(ii) AY 2012-13	10.83	10.83
(iii) AY 2014-15	18.50	18.50
	<b>48.43</b>	<b>48.43</b>

#### Others

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (b) Commitments

	As at 31 March 2025	As at 31 March 2024
<b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b>		
Capital commitments	3,901.65	375.94
	<b>3,901.65</b>	<b>375.94</b>
<b>Other commitments</b>		
Corporate guarantees given to subsidiaries and associate	7,150.00	4,650.00

### Note 36 - Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 has been made in the financial statement based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2025	As at 31 March 2024
(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of each accounting year:"		
(i) Principal Amount	1,072.88	1,305.13
(ii) Interest due on above	-	42.29
(b) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year;	73.34	14.54
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	18.10	1.01
(d) The amount of interest accrued and remaining unpaid at the end of accounting year; and	18.10	28.77
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	Nil	Nil

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Disclosure in respect of loans given, investment made, guarantees given and security provided as per Section 186(4) of the Companies Act, 2013

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Guarantees given during the year</b>		
Grotek Enterprises Private Limited	1,000.00	-
Kolben Hydraulics Ltd (Refer Note below)	-	200.00
AEPL Grotek Renewable Energy Private Limited	1,500.00	-

#### Note:

The Company has provided guarantee in respect of the working capital loan taken by Kolben Hydraulics Limited from Sumitomo Mitsui Banking Corporation (SMBC) in FY 2023-24. During the year, company has provided guarantee in respect of the Term Loan taken by Grotek Enterprises Private Limited & AEPL Grotek Renewable Energy Private Limited from Sumitomo Mitsui Banking Corporation (SMBC).

### Note 38 - Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2025	As at 31 March 2024
Borrowings (Refer note 18)	6,419.06	5,764.48
Trade payables (Refer note 22)	3,067.65	3,643.94
Less: Cash and cash equivalents (Refer note 12)	149.39	985.77
Less: Bank balances other than cash and cash equivalents (Refer note 13)	50.56	61.41
<b>Net debt</b>	<b>9,286.76</b>	<b>10,455.60</b>
Equity	1,300.00	1,300.00
Other equity	27,324.96	26,230.36
<b>Capital and net debt</b>	<b>37,911.72</b>	<b>37,985.96</b>
Gearing ratio	24%	28%

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Income Tax

The major components of income tax expense are:

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Current income tax:</b>		
Current income tax charge	117.94	446.86
Current tax of earlier years	316.95	-
	<b>434.89</b>	<b>446.86</b>
<b>Deferred tax charge</b>		
Relating to the origination and reversal of temporary differences	300.48	189.52
Deferred tax income for earlier years	(322.47)	-
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>412.90</b>	<b>636.38</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gains on defined benefit plans	(13.93)	(19.26)
	<b>(13.93)</b>	<b>(19.26)</b>
	<b>398.97</b>	<b>617.12</b>

#### Reconciliation of deferred tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Opening balance	786.92	616.65
Deferred tax charge during the year recognised in statement of profit and loss	(21.99)	189.52
Deferred tax charge/(credit) during the year recognised in OCI	(13.93)	(19.26)
<b>Closing balance</b>	<b>751.00</b>	<b>786.91</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before tax	1,796.90	2,095.67
Tax on accounting profit at statutory income tax rate at 25.17% (31 March 2024: 29.12%)	452.28	625.83
<b>Reconciling items:</b>		
<b>Expenses/(Income) disallowed under the provisions of Income tax Act, 1961</b>		
Donations and others	23.65	2.53
Change in income tax rate	(63.03)	8.02
	<b>412.90</b>	<b>636.38</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>412.90</b>	<b>636.38</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Income Tax (contd.)

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

	As at 31 March 2025	As at 31 March 2024
Deferred tax assets	316.02	277.22
Deferred tax liabilities	(1,067.02)	(1,064.14)
<b>Deferred tax liability, net</b>	<b>(751.00)</b>	<b>(786.92)</b>

#### Significant components of deferred tax asset / (liability) for the year ended 31 March 2025 are as follows :

	Opening balance	Recognised in SPL	Recognised in OCI	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	(1,062.21)	(3.99)	-	(1,066.20)
(ii) Provision for doubtful receivables and advances	86.86	29.49	-	116.35
(iii) Re-measurement of defined benefit liability	138.77	3.68	13.93	156.38
(iv) Fair value measurement of financial asset/liability	25.11	(1.29)	-	23.82
(v) Lease liabilities net of lease assets	(1.93)	1.11	-	(0.82)
(vi) Others (Expenses)	26.48	(7.01)	-	19.47
<b>Deferred tax liability, net</b>	<b>(786.92)</b>	<b>21.99</b>	<b>13.93</b>	<b>(751.00)</b>

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40

#### Defined benefit obligations

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

#### Defined benefit contributions

The Company makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Company recognised ₹261.84 (31 March 2024: ₹207.62) for provident fund contributions and ₹48.78 (31 March 2024: ₹42.92) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plans

The Company has provided for gratuity liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

#### Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

#### Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

#### Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

#### Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts

#### Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the company to market risk for volatilities/fall in interest rate.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 (contd.)

#### Investment risk

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

	As at 31 March 2025	As at 31 March 2024
<b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :</b>		
Current service cost	51.94	45.96
Interest cost	41.87	42.27
Expected return on plan assets	(29.99)	(30.68)
<b>Components of defined benefit costs recognised in Standalone Statement of Profit or Loss</b>	<b>63.82</b>	<b>57.55</b>
<b>Re-measurement on the net defined benefit liability :</b>		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	105.73	44.18
Return on Plan assets excluding amount recognised in net interest expense	2.59	9.29
<b>Components of defined benefit costs recognised in Standalone Other Comprehensive Income</b>	<b>108.32</b>	<b>53.47</b>
<b>Actual contribution and benefit payments for year :</b>		
Actual benefit payments	56.13	112.54
Actual contributions	99.97	100.01
<b>Net asset / (liability) recognised in the Standalone Balance Sheet :</b>		
Present value of defined benefit obligations	(729.45)	(586.04)
Fair value of plan assets	491.01	419.77
<b>Funded status - deficit</b>	<b>(238.44)</b>	<b>(166.27)</b>
Unrecognised past service costs	-	-
<b>Net liability recognised in the Standalone Balance Sheet</b>	<b>(238.44)</b>	<b>(166.27)</b>
<b>Change in defined benefit obligations (DBO) during the year :</b>		
Present value of DBO at the beginning of the year	586.04	566.17
Current service cost	51.94	45.96
Interest cost	41.87	42.27
Actuarial losses	105.73	44.18
Benefits paid	(56.13)	(112.54)
<b>Present value of DBO at the end of the year</b>	<b>729.45</b>	<b>586.04</b>
<b>Change in fair value of assets during the year :</b>		
Plan assets at the beginning of the year	419.77	410.91
Expected return on plan assets	29.99	30.68
Actual company contributions	99.97	100.01
Actuarial losses	(2.59)	(9.29)
Benefits paid	(56.13)	(112.54)
<b>Plan assets at the end of the year</b>	<b>491.01</b>	<b>419.77</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 (contd.)

	As at 31 March 2025	As at 31 March 2024
Actual return on plan assets	27.40	21.39
<b>Composition of the plan assets is as follows :</b>		
Others- insurer managed funds	100%	100%
<b>Actuarial assumptions :</b>		
Discount rate	6.70%	7.15%
Salary escalation	4.00%	4.00%
Attrition		
- Below 44 years	9.00%	2.00%
- 44 years and above	2.00%	1.00%

#### Note:

- The Company is estimated to contribute ₹298.05 (March 2024 ₹211.90) towards gratuity funds during the next year.
- Details of fund assets which are managed by an insurance company have not been disclosed since the details have not been provided by them.
- The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

#### A quantitative sensitivity analysis for significant assumption is as shown below :

	As at 31 March 2025	As at 31 March 2024
<b>Impact of change in the discount rate</b>		
Impact due to increase of 1%	(49.07)	(48.07)
Impact due to decrease of 1%	55.89	55.92
<b>Impact of change in the salary growth rate</b>		
Impact due to increase of 1%	54.13	54.52
Impact due to decrease of 1%	(48.40)	(48.32)
<b>Impact of change in the attrition rate</b>		
Impact due to increase of 50%	18.98	9.50
Impact due to decrease of 50%	(25.75)	(10.37)
<b>Impact of change in the mortality rate</b>		
Impact due to increase of 10%	0.40	0.51
Impact due to decrease of 10%	(0.40)	(0.52)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

#### Effect of plan on entity's future cash flows

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The weighted average duration of the plan is estimated to be 7 years. Following is a maturity profile of the defined benefit obligation:

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 (contd.)

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

	As at 31 March 2025	As at 31 March 2024
1 year	101.62	74.45
2 - 5 years	359.79	235.92
6 - 10 years	181.15	160.17
More than 10 years	670.99	826.81

### Note - 41 Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial Assets				
Loans	7	20.65	-	-
Other financial assets	8	7.70	-	-
<b>Current assets</b>				
Financial assets				
Trade receivables	11	11,431.29	-	-
Cash and cash equivalents	12	149.39	-	-
Bank balances other than cash and cash equivalents	13	50.56	-	-
Loans	7	39.99	-	-
Other financial assets	8	158.53	-	-
<b>Total</b>		<b>11,858.11</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Lease liabilities	19	153.01	-	-
Other financial liabilities	20	7.41	-	-
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18	6,419.06	-	-
Lease liabilities	19	84.32	-	-
Trade payables	22	3,067.65	-	-
Other financial liabilities	20	4,086.72	-	-
<b>Total</b>		<b>13,818.17</b>	<b>-</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 41 Fair value measurements (contd.)

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

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial Assets				
Loans	7	37.89	-	-
Other financial assets	8	70.06	-	-
<b>Current assets</b>				
Financial assets				
Trade receivables	11	10,755.69	-	-
Cash and cash equivalents	12	985.77	-	-
Bank balances other than cash and cash equivalents	13	61.41	-	-
Loans	7	21.91	-	-
Other financial assets	8	303.62	-	-
<b>Total</b>		<b>12,236.35</b>	-	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	18	519.06	-	-
Lease liabilities	19	62.69	-	-
Other financial liabilities	20	8.11	-	-
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18	5,245.42	-	-
Lease liabilities	19	60.75	-	-
Trade payables	22	3,643.94	-	-
Other financial liabilities	20	3,000.91	-	-
<b>Total</b>		<b>12,540.88</b>	-	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 41 Fair value measurements (contd.)

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

#### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 which maximise the use of observable market data and rely on as little as possible on the entity specific estimates for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability.

The Company does not have any financial instrument designated at FVTPL or FVOCI to be valued as per level 1, level 2, level 3, hence this disclosure is not presented.

### Note 42 - Financial risk management

The Company's financial assets majorly comprise of trade receivables, investments, loans, cash and cash equivalents and Bank balances other than cash. The Company's financial liabilities majorly comprises of borrowings, trade payables and lease liabilities.

The Company is primarily exposed to market risk, credit risk and liquidity risk arising out of operations. The Company's financial assets category are summarised in Note 7 to 8, Note 11 - 13, and liabilities are summarised in Note 18 to 20 and Note 22.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

#### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

##### Assets under credit risk

	As at 31 March 2025	As at 31 March 2024
<b>Asset</b>		
Investments	1,211.41	1,211.49
Loans	60.64	59.80
Other financial assets	166.23	373.68
Trade receivables	11,431.29	10,755.69
Cash and cash equivalents	149.39	985.77
Bank balances other than cash and cash equivalents	50.56	61.41
	<b>13,069.52</b>	<b>13,447.84</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Financial risk management (contd.)

#### A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

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

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning	298.30	201.28
Impairment loss recognised (Refer note 32)	81.26	97.02
<b>Balance at the end</b>	<b>379.56</b>	<b>298.30</b>

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

31-Mar-25	Trade receivables					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	10,278.07	891.13	213.48	168.44	259.73	11,810.85
Expected credit loss rate	-	4.83%	11.64%	35.42%	97.02%	-
Lifetime expected credit loss	-	43.05	24.85	59.66	252.00	379.56

31-Mar-24	Trade receivables					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	9,706.52	486.41	418.78	74.43	367.86	11,053.99
Expected credit loss rate	-	9.06%	11.36%	31.69%	49.76%	-
Lifetime expected credit loss	-	44.07	47.58	23.59	183.06	298.30

#### A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Financial risk management (contd.)

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

#### (B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have undiscounted contractual maturities (including interest payments where applicable) as summarised below:

#### Maturities of financial liabilities

As at 31 March 2025	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	6,419.06	-	-	6,419.06
Lease liabilities	101.93	176.02	-	277.95
Trade payables	3,067.65	-	-	3,067.65
Other financial liabilities	4,086.72	7.41	-	4,094.13
<b>Total</b>	<b>13,675.36</b>	<b>183.43</b>	<b>-</b>	<b>13,858.79</b>

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

#### (C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

#### Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Financial risk management (contd.)

substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below.

Included In	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	3.05	261.40	2.51	208.99
	GBP	0.12	12.77	0.11	11.59
	EURO	0.38	34.93	0.45	40.47
EEFC balances	USD	0.01	1.19	0.01	0.98
<b>Financial liabilities</b>					
Trade payables	USD	7.57	650.57	12.04	1,003.04
	JPY	2.95	1.71	-	-
	EURO	0.04	3.38	0.55	49.27

Conversion rates	USD	EUR	JPY	GBP
As at 31 March 2025	85.73	92.46	0.57	110.88
As at 31 March 2024	83.33	90.31	0.60	105.31

### Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase 31 March 2025	Decrease 31 March 2025	Increase 31 March 2024	Decrease 31 March 2024
<b>Sensitivity</b>				
INR/USD	(3.86)	3.86	(7.93)	7.93
INR/EURO	0.32	(0.32)	(0.09)	0.09
INR/JPY	0.02	(0.02)	-	-
INR/GBP	0.13	(0.13)	0.12	(0.12)

### Interest rate risk

#### Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2025, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Financial risk management (contd.)

#### Interest rate risk exposure

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

	As at 31 March 2025	As at 31 March 2024
Variable rate borrowing	6,419.06	5,764.48
Fixed rate borrowing	-	-
<b>Total borrowings</b>	<b>6,419.06</b>	<b>5,764.48</b>
Amount disclosed under borrowings	6,419.06	5,764.48

#### Sensitivity

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

	31 March 2025	31 March 2024
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points (100 bps)	64.19	57.64
Interest rates – decrease by 100 basis points (100 bps)	(64.19)	(57.64)
<b>Impact on Equity</b>		
Increase by 100 basis points (100 bps)	(48.04)	40.86
Decrease by 100 basis points (100 bps)	48.04	(40.86)

### Note 43 - Related party disclosures

Nature of relationship	Name of related parties
<b>I Subsidiary Companies</b>	Coretec Engineering India Private Limited Grotek Enterprises Private Limited Kolben Hydraulics Limited
<b>II Associate companies</b>	Sai India Limited Bourton Consulting (India) Private Limited (till 30 September 2024) AEPL Grotek Renewable Energy Private Limited
<b>III Entity having significant influence</b>	Yuken Kogyo Co Limited
<b>IV Key Management Personnel (KMP)</b>	
Managing Director	C P Rangachar
Whole Time Director	Yoshitake Tanaka (till 20.09.2024)
Chief Financial Officer	H M Narasinga Rao
Chief Executive Officer	A. Venkata Krishnan
Company Secretary	Suchithra R Vignesh P (Resigned w.e.f. 13.01.2024)

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

Nature of relationship	Name of related parties
Non Executive Directors:	Premchander (Resigned w.e.f 02.09.2024) Indra Prem Menon R Srinivasan(Resigned w.e.f 02.09.2024) Tadanori Okada (Appointed w.e.f 07.08.2024) Vidya Rangachar (Resigned w.e.f 05.09.2024) Hidemi Yasuki (Resigned w.e.f 05.09.2024) Hideharu Nagahisa(Resigned w.e.f 05.09.2024) Tadimalla Parabrahman Kaleginanaoor Chandrashekhar Sharma Yoshitake Tanaka (w.e.f 20.09.2024)
<b>Related party where transactions have taken place</b>	
<b>V Close members of KMP</b>	Madhuri Rangachar Vidya Rangachar
<b>VI Entities controlled by significant shareholder</b>	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Shanghai) Company Ltd. Yuken Sea Co Limited Yuken Hydraulics (Zhangjiangang) Co. Ltd Yuken North America Corporation
<b>VII Parties in which key management personnel or their close member have significant influence</b>	Benefic Investment and Finance Company (Private) Limited Nature Arbor LLP
<b>VIII Post employment benefit plans</b>	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

### IX Details of related parties transactions for the year ended 31 March 2025 and 31 March 2024 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
<b>Purchase of Property, plant and equipment</b>			
Coretec Engineering India Private Limited	Subsidiary	1.43	23.21
Kolben Hydraulics Limited	Subsidiary	-	0.03
Grotek Enterprises Private Limited	Subsidiary	77.79	57.28
<b>Purchase of goods and services received</b>			
Coretec Engineering India Private Limited	Subsidiary	5,670.72	5,498.64
Yuken Kogyo Co Limited	Entity having significant influence	1,324.91	1,606.60
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	923.89	715.54
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	341.01	240.19
Sai India Limited	Associate	-	0.60
Kolben Hydraulics Limited	Subsidiary	213.77	209.61

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
Bourton Consulting (India) Private Limited	Associate	8.63	15.65
Grotek Enterprises Private Limited	Subsidiary	3,244.98	3,320.63
<b>Brand fees expense</b>			
Yuken Kogyo Co Limited	Entity having significant influence	123.98	124.84
<b>Sale of Property, plant and equipment</b>			
Coretec Engineering India Private Limited	Subsidiary	7.53	-
<b>Sale of goods and services</b>			
Coretec Engineering India Private Limited	Subsidiary	220.35	7.92
Yuken Kogyo Co Limited	Entity having significant influence	226.93	85.53
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	2.37	0.59
Yuken Europe Limited	Entity controlled by significant shareholder	30.49	27.45
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	9.75
Yuken Sea Co Limited	Entity controlled by significant shareholder	0.12	16.72
Yuken Kogyo (Shanghai) Company Ltd.	Entity controlled by significant shareholder	8.82	-
Yuken North America Corporation	Entity controlled by significant shareholder	0.54	0.37
Kolben Hydraulics Limited	Subsidiary	1,370.26	800.46
Sai India Limited	Associate	7.07	2.04
Grotek Enterprises Private Limited	Subsidiary	2.74	25.47
<b>Sale of Scrap</b>			
Coretec Engineering India Private Limited	Subsidiary	1.58	0.19
Grotek Enterprises Private Limited	Subsidiary	59.99	144.19
<b>Rent received</b>			
Grotek Enterprises Private Limited	Subsidiary	62.96	66.73
Kolben Hydraulics Limited	Subsidiary	1.71	1.70
Coretec Engineering India Private Limited	Subsidiary	6.91	-
<b>Dividend paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	87.00	46.40
C P Rangachar	KMP	1.27	0.67
Vidya Rangachar	Close member of KMP	0.24	0.13
Madhuri Rangachar	Close member of KMP	0.12	0.06
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their close member have significant influence	20.88	11.13

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
<b>Interest Income</b>			
Grotek Enterprises Private Limited	Subsidiary	3.95	2.32
<b>Trade discount received</b>			
Grotek Enterprises Private Limited	Subsidiary	23.83	187.14
<b>Guarantee Commission Income</b>			
Coretec Engineering India Private Limited	Subsidiary	18.64	30.21
Grotek Enterprises Private Limited	Subsidiary	28.01	29.03
Kolben Hydraulics Limited	Subsidiary	4.72	-
AEPL Grotek Renewable Energy Private Limited	Associate	14.48	-
<b>Guarantees given</b>			
Grotek Enterprises Private Limited	Subsidiary	1,000.00	-
Kolben Hydraulics Limited	Subsidiary	-	200.00
AEPL Grotek Renewable Energy Private Limited	Associate	1,500.00	-
<b>Remuneration and short term benefits (including commission)</b>			
C P Rangachar	KMP	114.09	113.62
H M Narasinga Rao	KMP	68.64	83.03
Vignesh P	KMP	-	8.45
Suchithra R	KMP	8.20	2.75
A. Venkatakrishnan	KMP	53.81	53.81
Yoshitake Tanaka	KMP	25.32	50.66
Premchander	KMP	1.92	2.84
Indra Prem Menon	KMP	1.92	2.84
Vidya Rangachar	KMP	1.92	2.84
R Srinivasan	KMP	1.92	2.84
Tadanori Okada	KMP	1.92	2.84
Hidemi Yasuki	KMP	1.92	2.84
Parabrahman Tadimalla	KMP	1.92	2.84
Kaleginanaoor Chandrashekhar Sharma	KMP	1.92	2.84
Hideharu Nagahisa	KMP	1.92	2.84
<b>Director's Sitting fee</b>			
Premchander	KMP	2.00	3.00
Indra Prem Menon	KMP	3.00	2.20
Vidya Rangachar	KMP	0.80	1.40
R Srinivasan	KMP	1.70	3.20
Hidemi Yasuki	KMP	0.80	1.40
Hideharu Nagahisa	KMP	0.80	1.20
Parabrahman Tadimalla	KMP	2.00	0.40

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
Kaleginanaoor Chandrashekhar Sharma	KMP	2.30	0.40
Tadanori Okada	KMP	0.90	-
Yoshitake Tanaka	KMP	0.60	-
<b>Other expenses</b>			
Nature Arbor LLP	Parties in which KMP or their close member have significant influence	6.60	-
<b>Payment towards expenses</b>			
Vidya Rangachar	Close member of KMP	0.75	1.80
<b>Reimbursement of expense(net)</b>			
Yuken Kogyo Co Limited	Entity having significant influence	23.06	11.46
Yuken Europe Limited	Entity controlled by significant shareholder	5.14	-
Grotek Enterprises Private Limited	Subsidiary	1.21	1.31
Coretec Engineering India Private Limited	Subsidiary	0.39	2.59
Kolben Hydraulics Limited	Subsidiary	-	3.07
<b>Contribution to post employment benefit plans</b>			
Yuken India Employees Gratuity Trust	Post employment benefit plans	99.97	100.01
Yuken India Employees Superannuation Fund	Post employment benefit plans	42.19	43.75

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

X Details of amounts outstanding from related parties as at 31 March 2025 and 31 March 2024 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2025	As at 31 March 2024
<b>Advance towards purchase of goods and services</b>			
Coretec Engineering India Private Limited	Subsidiary	2,498.46	2,015.25
Grotek Enterprises Private Limited	Subsidiary	1,360.19	2,087.65
<b>Trade Receivables</b>			
Coretec Engineering India Private Limited	Subsidiary	155.18	6.90
Yuken Kogyo Co Limited	Entity having significant influence	100.40	34.07
Yuken Europe Limited	Entity controlled by significant shareholder	12.77	11.59
Grotek Enterprises Private Limited	Subsidiary	14.53	1.62
Sai India Limited	Associate	-	21.69
Kolben Hydraulics Limited	Subsidiary	1,109.30	432.85
AEPL Grotek Renewable Energy Private Limited	Associate	14.48	-
<b>Rent Receivable</b>			
Grotek Enterprises Private Limited	Subsidiary	4.01	5.13
Coretec Engineering India Private Limited	Subsidiary	6.91	-
<b>Reimbursement of expenses receivables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	15.13	-
<b>Trade Payables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	437.41	779.08
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	283.77	128.74
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	66.44	94.42
Sai India Limited	Associate	-	0.60
Bourton Consulting (India) Private Limited	Associate	-	1.64
<b>Commission Payable</b>			
Yoshitake Tanaka	KMP	1.92	2.84
Premchander	KMP	1.92	2.84
Indra Prem Menon	KMP	1.92	2.84
Vidya Rangachar	Close member of KMP	1.92	2.84
R Srinivasan	KMP	1.92	2.84
Tadanori Okada	KMP	1.92	-
Hidemi Yasuki	KMP	1.92	2.84
Parabrahman Tadimalla	KMP	1.92	2.84
Kaleginanaoor Chandrashekhar Sharma	KMP	1.92	2.84
Hideharu Nagahisa	KMP	1.92	2.84

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Related party disclosures (contd.)

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2025	As at 31 March 2024
<b>Salary Payable</b>			
C P Rangachar	KMP	6.80	20.60
H M Narasinga Rao	KMP	3.60	3.34
Yoshitake Tanaka	KMP	-	4.15
Suchithra R	KMP	0.65	0.64
A. Venkatakrishnan	KMP	3.16	2.88
<b>Guarantees outstanding</b>			
Coretec Engineering India Private Limited	Subsidiary	1,850.00	1,850.00
Grotek Enterprises Private Limited	Subsidiary	3,600.00	2,600.00
Kolben Hydraulics Limited	Subsidiary	200.00	200.00
AEPL Grotek Renewable Energy Private Limited	Associate	1,500.00	-

#### Note:

- The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences.

### Note 44 - Segment information

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Company performance and allocates resources based on Single Segment - Hydraulics

#### Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenues from external customers for each product or each group of similar products		
Sale of products	39,060.03	36,282.99
	<b>39,060.03</b>	<b>36,282.99</b>

#### Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues

	Year ended 31 March 2025	Year ended 31 March 2024
India	38,706.66	35,982.27
Outside India	353.37	300.72
	<b>39,060.03</b>	<b>36,282.99</b>

#### Non-current assets (other than financial assets and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets

	Year ended 31 March 2025	Year ended 31 March 2024
India	20,531.20	15,745.64
Outside India	-	-
	<b>20,531.20</b>	<b>15,745.64</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 44 - Segment information (contd.)

**Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale**

No single customer contributes 10 percent or more of the Company's total revenue for the years ended 31 March 2025 and 31 March 2024.

### Note 45 - Leases

**The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 on an undiscounted basis:**

	As at 31 March 2025	As at 31 March 2024
Within one year	101.93	68.80
After one year but not more than five years	176.02	71.11
	<b>277.95</b>	<b>139.91</b>

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Amount recognised in Statement of Profit and Loss</b>		
Depreciation on right of use assets	81.03	68.99
Interest on lease liabilities	14.08	13.58
Expenses relating to short term leases	273.05	229.41
<b>Amount recognised in Statement of Cash Flow</b>		
Total cash outflow for leases - principal	89.23	79.25
Total cash outflow for leases - interest	14.08	13.58

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### Note 46 - Ratio analysis

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.53	1.75	-13%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.22	0.21	7%	NA
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Depreciation and other amortisations + Interest	Debt service = Interest & Lease Payments + Principal Repayments	2.57	3.40	-24%	NA
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.05	0.06	-24%	NA

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 46 - Ratio analysis (contd.)

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% Change	Reason for variance
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	3.44	3.32	4%	NA
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.52	3.44	2%	NA
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.37	4.83	32%	Using RXIL platform for early settlement of payables has lead to a timely settlement of payables leading to increase in Trade payable turnover ratio
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	5.06	3.62	40%	Increase in sales and decrease in working capital has lead to a increase in Net Capital Turnover ratio.
Net Profit Ratio	Net Profits after taxes	Net sales = Total sales - sales return	0.03	0.04	-16%	NA
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.07	0.08	-12%	NA
Return on Investment	Interest income on deposits	Fixed deposit with bank	0.07	0.06	17%	NA

#### Notes

1 Reasons for variance has been provided for ratios that have a % change of more than 25%

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 47 - Corporate social responsibility ('CSR')

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

	Year ended 31 March 2025	Year ended 31 March 2024
(a) Amount required to be spent by the Company	32.20	21.36
(b) Amount approved by the Board to be spent during the year	32.20	21.36
<b>Amount spent during the year</b>	<b>41.79</b>	<b>17.07</b>
(i) Out of which, spent towards current year obligation	32.24	-
(ii) Spent from unspent amount of previous year	9.55	-
<b>In cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	41.79	17.07
iii) Transferred to separate bank account	-	-
<b>Yet to be paid in cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
<b>Shortfall at the end of the year</b>	-	4.29
<b>Excess amount spent during the year</b>	-	-
<b>Excess amount spent during the previous year</b>	-	1.16
<b>Total of Previous years shortfall</b>	-	-
<b>Net Excess / shortfall</b>	-	<b>3.13</b>

#### a) Details of unspent CSR amounts:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
9.55	9.55	-	-	-

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

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	32.24	32.24	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 48 Other statutory information

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

### Note 49 Previous period comparatives

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 50 Management note on Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP for maintaining its books of account. During the year ended March 31, 2025, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes as it would impact database performance significantly. Audit trail (edit log) is enabled at the application level as part of standard framework and the Company's users have access to perform transactions only from the application level. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention where such feature was enabled.

### The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

Bengaluru

Wednesday, 28 May 2025

**Parabrahman Tadimalla**

Director

DIN: 01392252

**H M Narasinga Rao**

Chief Financial Officer

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

**Kaleginanaoor Chandrashekhara Sharma**

Director

DIN: 09505130

**Suchithra R**

Company Secretary

ACS : 70262

**C P Rangachar**

Managing Director

DIN: 00310893

**A Venkatakrisnan**

Chief Executive Officer

# Consolidated Financial Statements

# Independent Auditor's Report

To  
The Members of  
**Yuken India Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Refer to the material accounting policies in Note 2B(g) and related disclosure in Note 25 of the consolidated financial statements.</p> <p>Revenue from the sale of goods are recognised at a point in time upon transfer of control of promised products to the customers in accordance with the terms of contracts with the customers. Revenue towards a performance obligation is measured at the amount of transaction price allocated to that performance obligation and is accounted for net of rebates or discounts.</p> <p>Owing to the Group's high volume of sales transactions and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence, requiring significant auditor attention.</p> <p>Revenue is one of the key performance indicators of the Group and external stakeholders which makes it susceptible to fraud risk and misstatement and thus timing of revenue recognition is relevant as there is a risk of revenue being recognised without transfer of control.</p> <p>Considering the varied terms of contracts with customers, significance of the amount involved and significant attention required by the auditor as mentioned above, revenue recognition is considered to be a key audit matter for the current year audit..</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and assessed the appropriateness of the accounting policy for revenue recognition in accordance with Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115');</li> <li>• Evaluated the design and tested the operating effectiveness of key controls (including the automated controls) around revenue recognition;</li> <li>• Performed substantive testing by selecting samples of revenue transactions recorded during the year, including specific period before and after the year end. For such samples, verified the underlying supporting documents such as invoices, goods dispatch notes, shipping documents, sales Orders etc. to ensure correct amount of revenue is recognition in the correct period;</li> <li>• Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions;</li> <li>• Performed analytical procedures on current year revenue which included product analysis customer analysis, etc to identify any unusual variances / relationships, if any;</li> <li>• Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; and</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures included in consolidated financial statements in accordance with applicable accounting standards..</li> </ul>

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

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

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- ### Other Matter
15. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹14,136.45 lakhs as at 31 March 2025, total revenues of ₹15,689.11 lakhs and net cash inflows amounting to ₹25.40 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹65.12 lakhs for the year ended 31 March 2025 in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.
- Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.
- ### Report on Other Legal and Regulatory Requirements
16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and associates, we report that the Holding Company, one subsidiary and one associate incorporated in

India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. We report that two subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act is not applicable to one associate incorporated in India whose financial statements have been audited under the Act, since the Company is not

a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries and associate.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above of companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company/subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Coretec Engineering India Private Limited	U29246KA1998PTC0238 63	Subsidiary	Clause xiv(b)
2	Kolben Hydraulics Limited	U29119KA2007PLC04334 0	Subsidiary	Clause xvii
3	Sai India Limited	U29120KA1989FLC01035 8	Associate	Clause ii(b)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,.
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and associates, covered under the Act, none of the directors of the Holding Company, its subsidiaries and associates, are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and associates covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 35(a) to the consolidated financial statements;
  - ii. The Holding Company, its subsidiaries and associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. Furthermore, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries and associates covered under the Act, during the year ended 31 March 2025;
  - iv. a. The respective managements of the Holding Company, its subsidiaries and, associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in note 47(1) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, and associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Holding Company, its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 47(2) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associates from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associates, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The final dividend paid by the Holding Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- As stated in note 16(e) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- The subsidiaries and associates have not declared or paid any dividend during the year ended 31 March 2025;

- vi. As stated in note 49 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and associates, the Holding Company, its subsidiaries, and associates, in respect of financial year commencing on 1 April 2024, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and associates did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiaries and associates as per the statutory requirements for record retention.

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

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Lokesh Khemka**

Partner

Membership No.: 067878

UDIN:25067878BMOOXW2987

Bengaluru

28 May 2025

## Annexure I

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

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

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

In conjunction with our audit of the consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, as at that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

The audit of internal financial controls with reference to financial statements of one associate, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note')

issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company as aforesaid.

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

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and its associate company, the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matter

We did not audit the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies, which are companies covered under the Act, whose

financial statements reflect total assets of ₹14,136.45 lakhs and net assets of ₹2,147.98 lakhs as at 31 March 2025, total revenues of ₹15,689.11 lakhs and net cash inflows amounting to ₹25.40 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹64.54 lakhs for the year ended 31 March 2025, in respect of one associate company and, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

### Lokesh Khemka

Partner

Membership No.: 067878

UDIN:25067878BMOOXW2987

Bengaluru

28 May 2025

# Consolidated Balance Sheet as at 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	22,953.58	18,273.34
Right-of-use Assets	5	1,428.79	132.45
Investment Property	3B	854.62	1,767.01
Capital work-in-progress	3A	1,277.98	1,974.75
Other intangible assets	4A	314.97	300.55
Goodwill	4B	257.87	257.87
Investments accounted for using equity method	6	1,150.91	816.87
<b>Financial assets</b>			
(i) Loans	7	20.65	37.89
(ii) Other financial assets	8	226.71	92.41
Non-current tax assets	14	300.28	-
Deferred tax assets	37	156.68	170.98
Other non-current assets	9	1,101.61	501.55
		<b>30,044.65</b>	<b>24,325.67</b>
<b>Current assets</b>			
Inventories	10	9,353.93	8,606.34
<b>Financial assets</b>			
(i) Trade receivables	11	11,635.03	11,959.29
(ii) Cash and cash equivalents	12	206.56	1,017.56
(iii) Bank balances other than cash and cash equivalents	13	50.56	61.41
(iv) Loans	7	39.99	36.03
(v) Other financial assets	8	147.60	303.62
Current tax assets (net)	14	-	291.35
Investments held for sale	15	-	1.56
Other non-financial assets	9	963.96	1,531.93
		<b>22,397.63</b>	<b>23,809.09</b>
		<b>52,442.29</b>	<b>48,134.76</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,300.00	1,300.00
Other equity	17	28,815.23	26,650.58
		<b>30,115.23</b>	<b>27,950.58</b>
<b>Non-controlling interests</b>			
		5.47	7.31
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	606.08	804.40
(ii) Lease liabilities	19	955.33	62.69
(iii) Other financial liabilities	20	7.41	8.11
Provisions	21	366.51	235.62
Deferred tax liabilities (net)	37	1,074.80	994.38
		<b>3,010.13</b>	<b>2,105.20</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	8,255.43	6,888.93
(ii) Lease liabilities	19	119.84	60.75
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		1,569.32	1,786.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,094.82	3,918.91
(iv) Other financial liabilities	20	4,190.04	3,008.40
Provisions	21	522.28	525.18
Current tax liabilities (net)	24		97.46
Other current liabilities	23	559.73	1,785.27
		<b>19,311.46</b>	<b>18,071.67</b>
		<b>52,442.29</b>	<b>48,134.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

Lokesh Khemka

Partner

Membership No.: 067878

Parabrahman Tadimalla

Director

DIN: 01392252

Kaleginanaoor Chandrashekar Sharma

Director

DIN: 09505130

C P Rangachar

Managing Director

DIN: 00310893

Bengaluru

Wednesday, 28 May 2025

H M Narasinga Rao

Chief Financial Officer

Suchithra R

Company Secretary

ACS : 70262

A Venkatakrishnan

Chief Executive Officer

# Consolidated Statement of Profit and Loss

 for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	25	45,735.63	42,253.62
Other income	26	373.75	509.09
<b>Total income</b>		<b>46,109.38</b>	<b>42,762.71</b>
<b>Expenses</b>			
Cost of materials consumed	27	19,435.10	18,676.00
Purchases of stock-in-trade	28	2,004.05	2,149.97
Changes in stock of finished goods, work-in-progress and stock-in-trade	29	(482.65)	(319.20)
Employee benefits expense	30	6,326.96	5,455.70
Finance costs	31	1,039.89	845.43
Depreciation and amortisation expenses	32	1,718.81	1,464.34
Other expenses	33	12,965.43	11,812.45
<b>Total expenses</b>		<b>43,007.59</b>	<b>40,084.69</b>
<b>Profit before share of profit from associates</b>		<b>3,101.79</b>	<b>2,678.02</b>
Share of profit from associates		65.12	18.08
<b>Profit before tax</b>		<b>3,166.91</b>	<b>2,696.10</b>
<b>Tax expense/(benefit)</b>	37		
(a) Current tax (income)/charge		306.68	697.41
(b) Current tax of earlier years		316.95	-
(c) Deferred tax charge/ (income)		405.59	120.14
(d) Deferred tax income relating to earlier years		(322.47)	-
<b>Total tax expense</b>		<b>706.75</b>	<b>817.55</b>
<b>Profit after tax</b>		<b>2,460.16</b>	<b>1,878.55</b>
<b>Total Net Profit attributable to:</b>			
Profit attributable to owners of parent		2,462.00	1,881.61
Loss attributable to non- controlling Interest		(1.84)	(3.06)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit / (loss)</b>			
Remeasurement losses on defined benefit plan		(119.35)	(73.09)
Income tax effect on the above item		17.00	24.72
<b>Other comprehensive income net of tax</b>		<b>(102.35)</b>	<b>(48.37)</b>
<b>Total comprehensive income for the year</b>		<b>2,357.81</b>	<b>1,830.18</b>
Total comprehensive Income attributable to owners of the parent		2,359.65	1,833.24
Total comprehensive loss attributable to non-controlling interest		(1.84)	(3.06)
<b>Earnings per equity share (face value of ₹10 per share)</b>			
Basic	34	18.94	14.75
Diluted	34	18.94	14.75

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

Lokesh Khemka

Partner

Membership No.: 067878

Parabrahman Tadimalla

Director

DIN: 01392252

Kaleginanaoor Chandrashekhara Sharma

Director

DIN: 09505130

C P Rangachar

Managing Director

DIN: 00310893

H M Narasinga Rao

Chief Financial Officer

Suchithra R

Company Secretary

ACS : 70262

A Venkatakrishnan

Chief Executive Officer

Bengaluru

Wednesday, 28 May 2025

## Statement of Consolidated Cash Flows for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2025	Year ended 31 March 2024
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,166.91</b>	<b>2,696.10</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	1,591.67	1,395.35
Depreciation on right-of-use assets	127.14	68.99
Loss on sale of assets scrapped	2.68	7.73
Net unrealised exchange (gain) / loss	(14.75)	12.48
Bad debts written off	31.63	80.29
Interest expense	1,039.89	845.43
Provision for doubtful trade receivables	81.26	97.02
Provision for advances & other receivables	82.74	-
Interest income	(86.88)	(106.28)
Liabilities no longer required written back	(26.68)	(10.84)
Share of net profit of associate accounted for using the equity method	(65.12)	(18.08)
<b>Operating profit before working capital changes</b>	<b>5,930.49</b>	<b>5,068.19</b>
<b>Net changes in working capital</b>		
(Increase) in inventories	(747.59)	(68.20)
Decrease/ (Increase) in trade receivables	229.78	(668.90)
Decrease in loans	13.28	4.34
(Increase) in other financial assets	(194.69)	(103.10)
Decrease / (Increase) in non-financial assets	533.68	(581.70)
(Decrease) in trade payables	(18.52)	(2,151.07)
Increase in other financial liabilities	1,170.19	1,712.35
Increase / (Decrease) in provisions	8.64	(1.47)
(Decrease) / Increase in non-financial liabilities	(1,225.54)	378.06
<b>Cash generated from operations</b>	<b>5,699.72</b>	<b>3,588.50</b>
Net income tax paid (net of refunds)	(765.56)	(340.95)
<b>Net cash generated from operating activities (A)</b>	<b>4,934.16</b>	<b>3,247.55</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(5,473.70)	(3,788.41)
Proceeds from disposal of property, plant and equipment	37.80	55.90
Investment in bank deposits (net)	15.86	15.36
Interest received	88.98	60.39
Investment made in Associate	(268.92)	-
Proceeds from sale of investment in Associate	1.64	-
<b>Net cash used in investing activities (B)</b>	<b>(5,598.34)</b>	<b>(3,656.76)</b>

## Statement of Consolidated Cash Flows for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2025	Year ended 31 March 2024
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares	-	6,290.00
Proceeds from long-term borrowings	892.50	-
Repayment of long-term borrowings	(1,015.50)	(1,079.78)
Proceeds from / (Repayments of) short term borrowings (net)	1,291.17	(3,000.93)
Repayment of principal amount of Lease liability	(103.23)	(79.25)
Repayment of interest amount on Lease liability	(58.14)	(13.58)
Interest paid	(959.95)	(833.73)
Dividend paid	(193.67)	(104.17)
<b>Net cash (used) in / generated from financing activities (C)</b>	<b>(146.82)</b>	<b>1,178.56</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A + B + C)</b>	<b>(811.00)</b>	<b>769.35</b>
Cash and cash equivalents at the beginning of the year	1,017.56	248.21
<b>Cash and cash equivalents at the end of the year</b>	<b>206.56</b>	<b>1,017.56</b>
<b>Cash and cash equivalents comprises :</b>		
Balances with banks		
(i) in current accounts	202.29	1,013.03
(ii) In EEFC account	1.19	0.98
Cash on hand	3.08	3.55
<b>Cash and cash equivalents at the end of the year</b>	<b>206.56</b>	<b>1,017.56</b>

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

**H M Narasinga Rao**

Chief Financial Officer

**Suchithra R**

Company Secretary

ACS : 70262

**A Venkatakishnan**

Chief Executive Officer

Bengaluru

Wednesday, 28 May 2025

# Consolidated Statement of Changes in Equity for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

## A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
<b>As at 01 April 2023</b>	<b>120.00</b>	<b>1,200.00</b>
Add: Issued and subscribed during the year	10.00	100.00
<b>As at 31 March 2024</b>	<b>130.00</b>	<b>1,300.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2025</b>	<b>130.00</b>	<b>1,300.00</b>

## B. Other Equity

	Reserves and Surplus						Non controlling interest	Total
	Capital reserve	Securities Premium	Other reserves (General reserve)	Retained earnings	Remeasurement on defined benefit plan	Total equity before Non-controlling interest		
<b>Balance as at 31 March 2023</b>	<b>42.41</b>	-	<b>596.08</b>	<b>18,111.20</b>	<b>(18.35)</b>	<b>18,731.34</b>	<b>10.37</b>	<b>18,741.71</b>
Premium on issue of shares	-	6,190.00	-	-	-	6,190.00	-	<b>6,190.00</b>
Profit for the year	-	-	-	1,881.61	-	1,881.61	(3.06)	<b>1,878.55</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(48.37)	(48.37)	-	<b>(48.37)</b>
Dividend	-	-	-	(104.00)	-	(104.00)	-	<b>(104.00)</b>
<b>Balance as at 31 March 2024</b>	<b>42.41</b>	<b>6,190.00</b>	<b>596.08</b>	<b>19,888.81</b>	<b>(66.72)</b>	<b>26,650.58</b>	<b>7.31</b>	<b>26,657.89</b>
Profit for the year	-	-	-	2,462.00	-	2,462.00	(1.84)	<b>2,460.16</b>
Items of the other comprehensive income, net of tax	-	-	-	-	(102.35)	(102.35)	-	<b>(102.35)</b>
Dividend	-	-	-	(195.00)	-	(195.00)	-	<b>(195.00)</b>
<b>Balance as at 31 March 2025</b>	<b>42.41</b>	<b>6,190.00</b>	<b>596.08</b>	<b>22,155.81</b>	<b>(169.07)</b>	<b>28,815.23</b>	<b>5.47</b>	<b>28,820.70</b>

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

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

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

**Lokesh Khemka**  
Partner  
Membership No.: 067878

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**Kaleginanaoor Chandrashekar Sharma**  
Director  
DIN: 09505130

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

Bengaluru  
Wednesday, 28 May 2025

**H M Narasinga Rao**  
Chief Financial Officer

**Suchithra R**  
Company Secretary  
ACS : 70262

**A Venkatakrishnan**  
Chief Executive Officer

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 1

#### Company Overview

Yuken India Limited ('the Company' / 'the Holding Company') was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt), Peenya Indl Area, Bangalore and New Delhi. Sales and distribution network is spread across India. The Company has its registered office at No 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore - 560 048, India and its corporate office at PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District - 563 130, India. The Company manufactures a wide range of vane pumps, piston pumps, gear pumps, pressure controls, flow controls, directional controls, modular control valves, servo valves, custom built/standard hydraulic systems and chip compactor. The Company is listed on BSE and NSE.

### Note 2A

#### Basis of consolidation

- (i) The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:
- (ii) The financial statements of the subsidiaries, wholly owned foreign subsidiaries and associates are drawn upto the same reporting date as that of the Group i.e. 31 March 2025.
- (iii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.

#### Non-controlling interest (NCI)

Non-Controlling Interest (NCI) in the equity and results of the entities that are controlled by the Company is shown as a separate item in the Consolidated Financial Statements. The interest of non-controlling shareholders may be initially measured either at fair value or at the non controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to noncontrolling interests even if it results in the noncontrolling interest having a deficit balance.

#### Investments accounted for using the equity method

Investments accounted for using the equity method are entities in respect of which, the Company has significant influence, but not control, over the financial and operating policies. Generally, a Company has significant influence if it holds between 20 and 50 percent of the voting power of another entity. Investments in such entities are accounted for using the equity method and are initially recognized at cost. The carrying amount of investment is increased/ decreased to recognize investors share of profit or loss of the investee after the acquisition date.

#### Changes in ownership interest without change in control

"The Group treats transactions with Non-Controlling Interests (NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity. The ownership interest in a joint venture or an associate is reduced but joint

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.”

The Details of subsidiaries and associates that have been considered in the preparation of the consolidated financial statements are as under-

Name of the entities	Country of incorporation	Ownership interest (%)	
		As on 31 March 2025	As on 31 March 2024
<b>Subsidiaries:</b>			
Coretec Engineering India Private Limited	India	100.00%	100.00%
Grotek Enterprises Private Limited	India	100.00%	100.00%
Kolben Hydraulics Limited	India	95.03%	95.03%
<b>Associates:</b>			
Sai India Limited	India	40.00%	40.00%
AEPL Grotek Renewable Energy Private Limited	India	51.00%	26.02%
Bourton Consulting (India) Private Limited	India	-	29.54%

### (b) Statement of compliance

The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. The aforesaid consolidated financial statements have been approved by the Board of Directors in the meeting held on 28 May 2025.

### (c) Basis of accounting and preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial assets and liabilities (including derivative instruments), contingent consideration, defined benefit plans, share based payments and asset held for sale. Monetary amounts are expressed in Indian Rupees (INR) and are rounded to the nearest thousands, except for earnings per share.

These consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated. They have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as and when they fall due.

The consolidated financial statements of Yuken India Limited for the year ended 31 March 2025 were approved and authorised for issue by the board of directors on 28 May 2025.

## Note 2B

### Material accounting policy information

#### (a) Critical estimates and judgements

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

### Classification of leases

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

### Recognition of deferred tax assets

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

### Evaluation of indicators for impairment of assets

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

### Recoverability of advances / receivables

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

### Useful lives of depreciable / amortisable assets

The useful life and residual value of property, plant and equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

### Defined benefit obligation (DBO)

The cost of the defined benefit plans and other long-term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered on long term basis for future periods after analysing past observable data on employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (b) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

### (c) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income or expense (as applicable).

Subsequent expenditure related to an item of the property, plant and equipment is added to its book value only if it increases the future benefit from the existing assets beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, capital work in progress, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery*	3-15
Furniture and fixtures	10
Vehicles	8-10
Jigs and fixtures*	3-5
Office equipment and Electrical installations*	5-21

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

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

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

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

### (d) Investment property

#### Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group measures investment property using cost based measurement and the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognition.

#### Depreciation

Depreciation on Investment Property (except freehold land) is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (e) Intangible assets

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortization expense.

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

Asset Category	Useful lives (in years)
ERP software	5
Technical Fee	5
Intellectual Property	5
Knowhow	5

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

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. An asset's recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss. The reversal is limited so that the carrying amount, of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### (g) Revenue recognition

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Sale of goods

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

### Dividend income

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

### Interest income

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

### Rental income

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

### Training and other service income

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

### Duty drawback

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

## (h) Employee benefits

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

### Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Group recognises contribution payable to the schemes as an expenditure, when an employee renders the related service.

### Defined benefit plan

#### Gratuity

The liability recognised in the under provisions note in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The cost of providing benefit plan is determined using the projected unit credit method.

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

### Compensated absences

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

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

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

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

### Short-term employee benefits

All employee benefit payable wholly within twelve months of rendering the service are classified as short-term employee benefits payable. These include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

### (i) Inventories

Binventories are valued at lower of costs and net realisable value.

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (j) Investments in associates

Investments representing equity interest in associates/ subsidiaries are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

### (k) Taxes on income

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### (l) Provisions and contingencies

#### Provisions

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

#### Contingent liabilities

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Contingent assets

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

### (l) Provisions and contingencies

#### Provisions

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

#### Contingent liabilities

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

### Contingent assets

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

### (m) Financial instruments

#### Financial assets

##### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Consolidated Statement of Profit and Loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial recognition and measurement

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

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. Regular way of purchase and sale of financial assets are accounted for at trade date.

#### Trade Receivables-

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

### Subsequent measurement

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

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments.

#### **i. Debt instruments at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### **ii. Debt instrument at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI."

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

#### **iii. Debt instrument at FVTPL**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI."Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### **iv. Equity investments**

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

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

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

### **De-recognition of financial assets**

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **Financial liabilities**

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

The Group recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at a fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit or Loss.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### ***Loans and borrowings***

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### ***Financial guarantee contracts***

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

### ***Derecognition of financial liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(n) Impairment of financial assets**

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-months ECL.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### (o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### (p) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### (q) Segment reporting

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

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

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

### (r) Earnings/ (Loss) per Share (EPS).

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group (after adjusting for interest on the convertible financial instruments, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### (s) Impairment of goodwill

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of an asset or a cash generating unit involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

### (t) Statement of Cash Flows

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

### (u) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

*Amended Accounting Standards (Ind AS) and interpretations effective during the period*

The MCA has notified below new standards / amendments which were effective from 01 April 2024.

*Amendments to Ind AS 116 - Lease liability in a sale and leaseback*

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of Use asset it retains.

*Introduction of Ind AS 117*

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all insurance contracts regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Financial Statements.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

*Amendment effective for annual reporting periods beginning on or after April 01, 2025*

The MCA has notified below amendment which were effective from April 01, 2025.

*Amendment to Ind AS 21- "The Effects of Changes in Foreign Exchange Rates*

The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also requires the disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows

When applying the amendment, an entity cannot restate comparative information.

The amendments will not have a material impact on the Company's financial statements.

### (v) Other Accounting policies

#### (i) Leases

##### **Group as a lessee**

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

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

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

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

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3 Property, plant and equipment

Gross carrying amount	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and Fixtures	Office equipment	Jigs and Fixtures	Motor vehicles	Total
<b>Balance as at 31 March 2023</b>	<b>2,487.91</b>	<b>6,148.40</b>	<b>10,132.47</b>	<b>619.25</b>	<b>444.61</b>	<b>854.46</b>	<b>980.03</b>	<b>32.45</b>	<b>21,699.58</b>
Additions	-	755.23	1,817.37	59.06	156.03	95.96	174.31	20.19	<b>3,078.15</b>
Disposals	-	-	(96.51)	-	(9.79)	(0.96)	-	(1.04)	<b>(108.30)</b>
<b>Balance as at 31 March 2024</b>	<b>2,487.91</b>	<b>6,903.63</b>	<b>11,853.33</b>	<b>678.31</b>	<b>590.85</b>	<b>949.46</b>	<b>1,154.34</b>	<b>51.60</b>	<b>24,669.43</b>
Additions	-	1,641.76	2,701.55	167.67	220.54	156.68	339.32	28.36	<b>5,255.88</b>
Movement from Investment property	-	670.47	-	-	241.40	-	-	-	911.87
Disposals	-	-	(123.49)	(0.90)	(47.25)	-	(46.65)	(19.65)	<b>(237.94)</b>
<b>Balance as at 31 March 2025</b>	<b>2,487.91</b>	<b>9,215.86</b>	<b>14,431.39</b>	<b>845.08</b>	<b>1,005.54</b>	<b>1,106.14</b>	<b>1,447.01</b>	<b>60.31</b>	<b>30,599.24</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>1,160.60</b>	<b>3,000.74</b>	<b>168.97</b>	<b>108.82</b>	<b>446.57</b>	<b>333.24</b>	<b>21.55</b>	<b>5,240.49</b>
Depreciation for the year	-	189.99	747.57	42.93	44.72	92.64	78.42	3.15	<b>1,199.42</b>
Disposals	-	-	(33.62)	-	(9.30)	(0.90)	-	-	<b>(43.82)</b>
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>1,350.59</b>	<b>3,714.69</b>	<b>211.90</b>	<b>144.24</b>	<b>538.31</b>	<b>411.66</b>	<b>24.70</b>	<b>6,396.09</b>
Depreciation for the year	-	241.37	808.91	53.22	87.13	107.03	133.67	6.53	<b>1,437.86</b>
Movement from Investment property	-	11.34	-	-	17.52	-	-	-	<b>28.86</b>
Disposals	-	-	(112.85)	(0.85)	(40.18)	-	(44.61)	(18.66)	<b>(217.15)</b>
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>1,603.30</b>	<b>4,410.75</b>	<b>264.27</b>	<b>208.71</b>	<b>645.34</b>	<b>500.72</b>	<b>12.57</b>	<b>7,645.66</b>
<b>Net carrying amount</b>									
<b>Balance as at 31 March 2024</b>	<b>2,487.91</b>	<b>5,553.04</b>	<b>8,138.64</b>	<b>466.41</b>	<b>446.61</b>	<b>411.15</b>	<b>742.68</b>	<b>26.90</b>	<b>18,273.34</b>
<b>Balance as at 31 March 2025</b>	<b>2,487.91</b>	<b>7,612.56</b>	<b>10,020.64</b>	<b>580.81</b>	<b>796.83</b>	<b>460.80</b>	<b>946.29</b>	<b>47.74</b>	<b>22,953.58</b>

#### Note:

(a) **Contractual obligations / Commitments**

Refer note 35 (b)

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

Details of properties pledged are as per Note 18.

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

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

	As at 31 March 2025	As at 31 March 2024
Opening balance	1,974.75	1,163.97
Add: Additions during the year	4,276.20	4,113.32
Less: Capitalised during the year	(4,972.97)	(3,302.54)
Closing balance	<b>1,277.98</b>	<b>1,974.75</b>

### Capital work-in-progress ageing schedule

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2025</b>					
Projects in progress	1,185.69	92.29	-	-	1,277.98
	<b>1,185.69</b>	<b>92.29</b>	<b>-</b>	<b>-</b>	<b>1,277.98</b>
<b>As at 31 March 2024</b>					
Projects in progress	1,288.01	595.88	35.72	55.14	1,974.75
	<b>1,288.01</b>	<b>595.88</b>	<b>35.72</b>	<b>55.14</b>	<b>1,974.75</b>

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

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2025</b>					
<b>(i) Projects in progress</b>					
HWS Moulding Line-3	555.47	-	-	-	555.47
Cooling Tower Malur	49.11	-	-	-	49.11
500 KVA DG SET	35.48	-	-	-	35.48
Others	47.49	-	-	-	47.49
	<b>687.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687.55</b>
<b>As at 31 March 2024</b>					
<b>(i) Projects in progress</b>					
Malur Unit Building Extension	258.15	-	-	-	258.15
Front Side Land Shed	127.54	-	-	-	127.54
Auto Pouring Machine	87.39	-	-	-	87.39
500 Kva Dg Set	35.48	-	-	-	35.48
Cooling Tower South Side & Water Storage System	35.26	-	-	-	35.26
Hws Vertical Pattern Store System	21.36	-	-	-	21.36
Others	47.47	-	-	-	47.47
	<b>612.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612.65</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

(A) There are no projects that have been suspended as on 31 March 2025 and 31 March 2024.

### Note 3B Investment Property

Gross carrying amount	Buildings	Total
<b>Balance as at 1 April 2023</b>	<b>1,751.45</b>	<b>1,751.45</b>
Additions	74.92	74.92
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>1,826.37</b>	<b>1,826.37</b>
Additions	-	-
Moved to property, plant and equipment*	911.87	911.87
Disposals	-	-
<b>Balance as at 31 March 2025</b>	<b>914.50</b>	<b>914.50</b>
Accumulated depreciation		
<b>Balance as at 1 April 2023</b>	<b>1.51</b>	<b>1.51</b>
Depreciation for the year	57.85	57.85
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>59.36</b>	<b>59.36</b>
Depreciation for the year	29.38	29.38
Moved to property, plant and equipment*	28.86	28.86
Disposals	-	-
<b>Balance as at 31 March 2025</b>	<b>59.88</b>	<b>59.88</b>
<b>Net carrying amount</b>		
<b>Balance as at 31 March 2024</b>	<b>1,767.01</b>	<b>1,767.01</b>
<b>Balance as at 31 March 2025</b>	<b>854.62</b>	<b>854.62</b>

The fair value of apartments included in investment property is ₹975.75 (31 March 2024: ₹1,655.64) as against the cost amounting to ₹854.62 (31 March 2024: ₹1,370.07) and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased and rental income of ₹50.64 (31 March 2024: ₹47.79) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 26).

Fair value hierarchy disclosures for investment properties have been provided in Note 40.

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

\*The Company has reclassified a portion of Investment property to Property, plant and equipment as the Company uses the portion of these properties for self-use

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4 Intangible assets

Gross carrying amount	ERP software	Technical fee	Intellectual property	Know how	Total
<b>Balance as at 31 March 2023</b>	<b>360.30</b>	<b>29.06</b>	<b>409.51</b>	<b>49.09</b>	<b>847.96</b>
Additions	93.25	-	-	-	93.25
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>453.55</b>	<b>29.06</b>	<b>409.51</b>	<b>49.09</b>	<b>941.21</b>
Additions	138.84	-	-	-	138.84
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>592.39</b>	<b>29.06</b>	<b>409.51</b>	<b>49.09</b>	<b>1,080.05</b>
<b>Accumulated amortisation</b>					
<b>Balance as at 31 March 2023</b>	<b>255.62</b>	<b>9.06</b>	<b>213.75</b>	<b>24.15</b>	<b>502.58</b>
Amortisation for the year	58.30	4.94	74.84	-	138.08
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>313.92</b>	<b>14.00</b>	<b>288.59</b>	<b>24.15</b>	<b>640.66</b>
Amortisation for the year	61.03	-	58.39	5.00	124.42
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>374.95</b>	<b>14.00</b>	<b>346.98</b>	<b>29.15</b>	<b>765.08</b>
<b>Net carrying amount</b>					
<b>Balance as at 31 March 2024</b>	<b>139.63</b>	<b>15.06</b>	<b>120.92</b>	<b>24.94</b>	<b>300.55</b>
<b>Balance as at 31 March 2025</b>	<b>217.44</b>	<b>15.06</b>	<b>62.53</b>	<b>19.94</b>	<b>314.97</b>

### Note 4B Goodwill

Gross carrying amount	Goodwill	Total
<b>Balance as at 1 April 2023</b>	<b>257.87</b>	<b>257.87</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2024</b>	<b>257.87</b>	<b>257.87</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2025</b>	<b>257.87</b>	<b>257.87</b>

Note:

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

The recoverable value of the CGU is determined on the basis of 'value in use'. The Group determined value in use using the discounted future cash flow approach. This is based on financial budgets approved by management covering a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated capitalisation rates.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4B Goodwill (contd.)

The key assumptions used for the calculations are as follows:

-Discount rate: 15.01% to 15.43%

-Average long term growth rate: 5%

-Estimated cash flow of 5 years based on formal/ approved internal management budgets with extrapolation for the remaining period.

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at 31 March 2025, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

**The allocation of goodwill to operating segments as at 31 March 2025 and 31 March 2024 is as follows:**

	As at 31 March 2025	As at 31 March 2024
Foundry business	165.30	165.30
Hydraulic business	92.57	92.57

### Note 5 Right-of-use assets

	Leasehold Land	Leasehold Building	Servers	Laptops	Total
<b>Balance as at 31 March 2023</b>	-	-	<b>86.84</b>	<b>173.02</b>	<b>259.86</b>
Additions	-	-	-	58.98	58.98
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	-	-	<b>86.84</b>	<b>232.00</b>	<b>318.84</b>
Additions	369.11	851.24	133.21	69.92	1,423.48
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>369.11</b>	<b>851.24</b>	<b>220.05</b>	<b>301.92</b>	<b>1,742.32</b>
<b>Accumulated Amortisation</b>					
<b>Balance as at 31 March 2023</b>	-	-	<b>68.04</b>	<b>49.36</b>	<b>117.40</b>
Amortisation for the year	-	-	17.37	51.62	68.99
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	-	-	<b>85.41</b>	<b>100.98</b>	<b>186.39</b>
Amortisation for the year	-	46.11	20.42	60.61	127.14
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	-	<b>46.11</b>	<b>105.83</b>	<b>161.59</b>	<b>313.53</b>
<b>Net carrying amount</b>					
<b>Balance as at 31 March 2024</b>	-	-	<b>1.43</b>	<b>131.02</b>	<b>132.45</b>
<b>Balance as at 31 March 2025</b>	<b>369.11</b>	<b>805.13</b>	<b>114.22</b>	<b>140.33</b>	<b>1,428.79</b>

**Note:**

Refer note 19

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 6 Investments

	Face value	As at 31 March 2025		As at 31 March 2024	
		No of Shares	Amount	No of Shares	Amount
<b>Investment in associates accounted for using the equity method (Refer note 46)</b>					
Sai India Limited	10	3,60,000	614.02	3,60,000	549.84
Bourton Consulting (India) Private Limited	10	-	-	24,675	2.35
AEPL Grotek Renewable Energy Private Limited	10	54,90,000	534.44	28,00,000	264.68
<b>Extent of Investment in associates</b>					
Sai India Limited			40.00%		40.00%
Bourton Consulting (India) Private Limited (Refer note (D))			-		29.54%
AEPL Grotek Renewable Energy Private Limited			51.00%		26.00%
<b>Investments measured at fair value through OCI</b>					
Bourton Consulting (India) Private Limited (Refer Note(C) and (D))	10	23,800	2.45	-	-
Hycom Engineering (India) Private Limited (Refer note (C))	10	9,41,330	94.13	9,41,330	94.13
The Shamrao Vittal Co-operative Bank Limited (Refer note (C))	10	2,000	0.50	2,000	0.50
Less : Provision for other than temporary diminution in value			(94.63)		(94.63)
			<b>1,150.91</b>		<b>816.87</b>

#### Notes

- (A) **Aggregate value of unquoted investments** **1,245.54** **911.50**
- (B) **Aggregate value of impairment recorded** **94.63** **94.63**
- (C) The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.
- (D) The Company had passed a resolution on 9 August 2023 proposing to sell its stake in Bourton Consulting (India) Private Limited. The Company had reclassified 10% of its shareholding in the Associate i.e. 12,625 shares of ₹10 each to Investment Held for Sale during the FY2023-2024. During the current financial year, the Company sold 13,500 shares dated 25 September 2024 which reduced the Company's stake in Bourton Consulting (India) Private Limited to 18.85%, hence Bourton Consulting (India) Private Limited is no longer an associate entity of the Company.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 7 Loans

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Loan to employees	20.45	37.69
Others	0.20	0.20
	<b>20.65</b>	<b>37.89</b>
<b>Current</b>		
(Unsecured, considered good)		
Loan to employees	39.99	36.03
	<b>39.99</b>	<b>36.03</b>

### Note 8 - Other financial assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Security deposits	217.20	20.73
Balance held as margin money account	9.51	14.52
(Unsecured, considered doubtful)		
Other receivables	57.16	57.16
Less: Allowances for doubtful receivables	(57.16)	-
	<b>226.71</b>	<b>92.41</b>
<b>Current</b>		
(Unsecured, considered good)		
Security deposits	119.45	274.71
Interest accrued on deposits	14.63	16.73
Other receivables	13.52	12.18
	<b>147.60</b>	<b>303.62</b>

**Note:**

**(a) Balance held as margin money**

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 9 - Other assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Prepaid expenses	53.85	205.81
Deferred loan discounting	0.77	2.37
Capital advances	1,046.99	293.37
(Unsecured, considered doubtful)		
Capital advances	25.58	-
Less: Allowance for doubtful capital advance	(25.58)	-
	<b>1101.61</b>	<b>501.55</b>
<b>Current</b>		
(Unsecured, considered good)		
Prepaid expenses	401.93	275.81
Deferred loan discounting	1.59	2.39
Advance to suppliers	375.85	925.21
Duty drawback receivable	4.48	5.65
Balances with government authorities	162.00	52.41
Share application money	-	269.00
Others	18.11	1.46
	<b>963.96</b>	<b>1,531.93</b>

**Note:** Share application money pertains to subscription of shares in AEPL Grotek Renewable Energy Private Limited by its holding company i.e. Grotek Enterprises Private Limited for the year ended 31 March 2024.

### Note 10 - Inventories

	As at 31 March 2025	As at 31 March 2024
(Lower of cost and net realisable value)		
Raw materials and components (includes goods in transit amounting to ₹227.60 (31 March 2024: Nil)	4,336.12	4,071.18
Work-in-progress	1,972.83	1,850.50
Finished goods (other than those acquired for trading)	2,664.69	2,169.59
Stock-in-trade	380.29	515.07
	<b>9,353.93</b>	<b>8,606.34</b>

Note :

1. The Company has recorded inventory at lower of cost and net realisable value.
2. Write-downs of inventories on account of slow moving and obsolete items amounted to ₹53.09 (31 March 2024: ₹23.41)

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 11 - Trade receivables

	As at 31 March 2025	As at 31 March 2024
Trade receivable considered good - unsecured	11,635.03	12,069.14
Trade receivables - credit impaired	379.56	188.45
	<b>12,014.59</b>	<b>12,257.59</b>
Less: Allowance for credit loss	379.56	298.30
	<b>11,635.03</b>	<b>11,959.29</b>

### Trade receivables ageing schedule

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>						
Undisputed Trade receivables - considered good	10,720.81	404.71	386.08	115.70	7.73	<b>11,635.03</b>
Undisputed trade receivables - credit impaired	-	43.05	24.85	59.66	252.00	<b>379.56</b>
	<b>10,720.81</b>	<b>447.76</b>	<b>410.93</b>	<b>175.36</b>	<b>259.73</b>	<b>12,014.59</b>
<b>As at 31 March 2024</b>						
Undisputed Trade receivables - considered good	10,843.30	497.93	472.35	72.50	183.06	<b>12,069.14</b>
Undisputed trade receivables - credit impaired	-	-	-	3.65	184.80	<b>188.45</b>
	<b>10,843.30</b>	<b>497.93</b>	<b>472.35</b>	<b>76.15</b>	<b>367.86</b>	<b>12,257.59</b>

### Note 12 - Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Cash on hand	3.08	3.55
Balances with banks		
(i) In current accounts	202.29	1,013.03
(ii) In EEFC accounts	1.19	0.98
	<b>206.56</b>	<b>1,017.56</b>

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

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
In earmarked accounts		
(i) Unpaid dividend accounts	7.72	6.38
(ii) Unspent CSR accounts	6.39	6.39
(iii) Balance held as margin money (Refer Note 8(a))	36.45	48.64
	<b>50.56</b>	<b>61.41</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 14 - Tax assets

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Income tax (net of provision for tax)	300.28	-
	<b>300.28</b>	-
<b>Current</b>		
Income tax (net of provision for tax)	-	291.35
	<b>-</b>	<b>291.35</b>

### Note 15 - Investments held for sale

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Bourton Consulting (India) Private Limited (Measured at fair value through profit and loss) (12,625 shares of face value ₹10 each) (Refer Note 6)	-	1.56
	<b>-</b>	<b>1.56</b>

### Note 16 Equity share capital

	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	1,30,00,000	1,300.00	1,30,00,000	1,300.00
	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,30,00,000</b>	<b>1,300.00</b>

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

	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
<b>Equity shares of ₹10 each, par value</b>				
Balance as at the beginning of the year	1,30,00,000	1,300.00	1,20,00,000	1,200.00
Add: Issued and subscribed during the year	-	-	10,00,000	100.00
<b>Balance at the end of the year</b>	<b>1,30,00,000</b>	<b>1,300.00</b>	<b>1,30,00,000</b>	<b>1,300.00</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 16 Equity share capital (contd.)

(b) The Company pursuant to the Board meeting held on 23 May 2025, considered the issue of equity shares not exceeding 7,00,000 shares to Yuken Kogyo Company Limited, Japan, promoter of the Company at an issue price payable in cash, not less than the floor price computed as on relevant date, as determined in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018, on Preferential Basis as per the provisions of SEBI (ICDR) Regulations, 2018, as amended subject to the approval of shareholders.

### (c) Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Holding Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### d) Details of shareholders holding more than 5% shares

	As at 31 March 2025		As at 31 March 2024	
	Number	Percentage	Number	Percentage
<b>Equity shares of ₹10 each, par value</b>				
Yuken Kogyo Co. Limited	58,00,000	44.62%	58,00,000	44.62%
Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	13,91,808	10.71%
GKK Capital Markets Private Limited	-	-	8,20,000	6.31%

(e) The Board of Directors, in its meeting held on 28 May 2025, proposed a final dividend of 15% (₹1.5 per equity share) for the financial year ended 31 March 2025. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹195.

### (f) Disclosure of Shareholding of Promoters

#### Equity shares of ₹10 each with voting rights:

Promoter Name	No. of Shares	% Of total shares	% Change during the Year
<b>As at 31 March 2025:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	0.00%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	0.00%
3. C P Rangachar	84,400	0.65%	0.00%
4. Vidya Rangachar	16,000	0.12%	0.00%
5. Madhuri Rangachar	8,000	0.06%	0.00%
	<b>73,00,208</b>	<b>56.16%</b>	<b>0.00%</b>
<b>As at 31 March 2024:</b>			
1. Yuken Kogyo Co. Limited	58,00,000	44.62%	11.55%
2. Benefic Investments & Finance Co. Private Limited	13,91,808	10.71%	-7.67%
3. C P Rangachar	84,400	0.65%	-7.14%
4. Vidya Rangachar	16,000	0.12%	-7.69%
5. Madhuri Rangachar	8,000	0.06%	-14.29%
	<b>73,00,208</b>	<b>56.16%</b>	<b>-25.24%</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Other equity

	As at 31 March 2025	As at 31 March 2024
General reserve	596.08	596.08
Retained earnings	22,155.81	19,888.81
Remeasurement on defined benefit plan	(169.07)	(66.72)
Capital Reserve	42.41	42.41
Securities Premium	6,190.00	6,190.00
	<b>28,815.23</b>	<b>26,650.58</b>

#### General reserve:

General reserve represents appropriation of profits.

#### Retained earnings:

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

#### Capital Reserve:

Reserves transferred when the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration payable for such acquisition

#### Securities Premium:

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

### Note 18 - Borrowings

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
(Secured)		
Term loans from banks	1,428.34	1,551.33
	<b>1,428.34</b>	<b>1,551.33</b>
Less: Current maturities of long-term borrowings	822.26	746.93
	<b>606.08</b>	<b>804.40</b>
<b>Current</b>		
(Secured)		
Loans repayable on demand from banks	6,633.17	5,442.00
Current maturities of long-term borrowings	822.26	746.93
(Unsecured)		
Working capital loans from banks	800.00	700.00
	<b>8,255.43</b>	<b>6,888.93</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

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

##### (a) Secured borrowings

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

	As at 31 March 2025	As at 31 March 2024
<b>Mizuho Bank Limited</b>		
Loan limit	2,500.00	2,500.00
Loan availed	1,974.62	1,974.62
Amount outstanding	519.06	1,038.12
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>		
Loan limit	500.00	500.00
Loan availed	500.00	500.00
Amount outstanding	-	38.00
Repayable in 16 quarterly instalments years with 1 year moratorium		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Grotek Enterprises Private Limited)</b>		
Loan limit	1,000.00	1,000.00
Loan availed	1,000.00	1,000.00
Amount outstanding	909.28	475.21
Repayable in 16 quarterly instalments years with 1 year moratorium		
Interest rate - MCLR rates		

#### Notes- Term Loans

- (i) Security Details for the term loan taken from Mizuho Bank Limited:
  - a. Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹2,500
- (ii) Security Details for the term loans taken from Sumitomo Mitsui Banking Corporation (subsidiary):
  - Letter of Guarantee from Yuken India Limited

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

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

	As at 31 March 2025	As at 31 March 2024
<b>Mizuho Bank Limited</b>		
Loan limit	3,000.00	3,000.00
Amount outstanding	2,500.00	2,000.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited</b>		
Loan limit	1,200.00	1,200.00
Amount outstanding	-	213.04
Repayable on demand		
Interest rate - MCLR rates		
<b>SBI Bank</b>		
Loan limit	150.00	150.00
Amount outstanding	-	113.32
Repayable on demand		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation</b>		
Loan limit	5,000.00	5,000.00
Amount outstanding	2,600.00	1,700.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited (Grotek Enterprises Private Limited)</b>		
Loan limit	480.00	600.00
Amount outstanding	357.06	339.64
Repayable on demand		
Interest rate - 11.9%		
<b>Sumitomo Mitsui Banking Corporation (Grotek Enterprises Private Limited)</b>		
Loan limit	1,000.00	1,000.00
Amount outstanding	500.00	500.00
Repayable on demand		
Interest rate - MCLR rates		
<b>HDFC Bank Limited (Coretec Engineering India Private Limited)</b>		
Loan limit	600.00	600.00
Amount outstanding	176.11	76.00
Repayable on demand		
Interest rate - MCLR rates		

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

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

	As at 31 March 2025	As at 31 March 2024
<b>Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>		
Loan limit	600.00	600.00
Amount outstanding	300.00	300.00
Repayable on demand		
Interest rate - MCLR rates		
<b>Sumitomo Mitsui Banking Corporation (Kolben Hydraulics Limited)</b>		
Loan limit	200.00	200.00
Amount outstanding	200.00	200.00
Repayable on demand		
Interest rate - 8.90%		

#### Details of security given

##### SBI Bank

- (i) Primary security : Hypothecation on stocks, receivables and other current assets-paripassu charge with HDFC Bank Limited
- (ii) Collateral security details:
  - (a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.
  - (b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.
  - (c) Hypothecation of unencumbered fixed assets of the Company

##### HDFC Bank Limited

- (i) First pari pasu charge on stocks, book debts and other current assets with SBI
- (ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur
- (iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur
- (iv) First charge on all movable fixed assets of the company - first paripassu charge with SBI.

##### SMizuho Bank Limited

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

##### Sumitomo Mitsui Banking Corporation

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

##### HDFC Bank Limited (subsidiary)

- (i) Primary : First charge on fixed assets, stock and book debts of the company.
- (ii) Secondary : Corporate guarantee given by Yuken India Limited

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 18 - Borrowings (contd.)

#### HDFC Bank Limited (subsidiary)

- (i) Primary : First charge on fixed assets, stock and book debts of the company.
- (ii) Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Estate Mahadevapura.

#### Sumitomo Mitsui Banking Corporation (subsidiary)

- (i) Letter of Guarantee from Yuken India Limited

#### (c) Unsecured working capital loans from banks

	As at 31 March 2025	As at 31 March 2024
<b>Bank of Tokyo (MUFG)</b>		
Loan limit	1,850.00	1,850.00
Amount outstanding	800.00	700.00
Repayable on demand		
Interest rate - MCLR rates		

#### (d) Assets pledged as security

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

	As at 31 March 2025	As at 31 March 2024
<b>Term Loans and Loans repayable on demand</b>		
Land and building (Net carrying value)	7,687.23	7,205.49
Inventories	8,419.96	8,112.29
Trade receivables	11,307.87	11,825.54
Other financial and non financial assets	840.21	1,812.62
Movable property, plant and equipment	12,794.64	10,175.44

#### Note:

The Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Company has carried out a reconciliation between these statements filed with the books of account and no material differences were noted on the same.

#### (e) Reconciliation of liabilities arising from Company's financing activities

	As at 31 March 2025	As at 31 March 2024
<b>Opening balance</b>	7,693.33	11,774.04
Proceeds from long-term borrowings	892.50	-
Repayment of long-term borrowings	(1,015.49)	(1,079.78)
Net movement in working capital borrowings	1,291.17	(3,000.93)
<b>Closing balance</b>	<b>8,861.51</b>	<b>7,693.33</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Lease liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Lease liabilities (Refer note 43)	955.33	62.69
	<b>955.33</b>	<b>62.69</b>
<b>Current</b>		
Lease liabilities (Refer note 43)	119.84	60.75
	<b>119.84</b>	<b>60.75</b>
<b>Movement in lease liabilities</b>		
Balance at the beginning of the year	123.44	143.72
Lease liability recognised during the year	1,054.96	58.97
Finance cost incurred during the year	58.14	13.58
Payment of lease liabilities	(161.37)	(92.83)
<b>Balance at the end of the year</b>	<b>1,075.17</b>	<b>123.44</b>

### Note 20 - Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Others	7.41	8.11
	<b>7.41</b>	<b>8.11</b>
<b>Current</b>		
Trade / security deposits received	576.25	527.09
Payable to employees	667.04	663.60
Interest accrued but not due on borrowings	4.95	8.02
Unpaid dividends	7.72	6.38
Capital creditors	194.64	171.49
Interest accrued on trade payables (Refer Note 22 A)	24.08	28.77
Other (Payables to RXIL)	2,712.03	1,602.06
Others	3.33	0.99
	<b>4,190.04</b>	<b>3,008.40</b>

#### Note: Payables to RXIL

During the current year, the Company entered into an arrangement with RXIL. Under this arrangement, the bank advances the payment to the vendor through RXIL platform at an interest rate that is lower than the market. The balance outstanding amount of ₹2,712.03 (FY 2023-24 ₹1,602.06) lakhs pertains to amount payable to bank as per this arrangement.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 21 - Provisions

	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Payable towards defined benefit obligations (Refer note 38)	366.51	235.62
	<b>366.51</b>	<b>235.62</b>
<b>Current</b>		
Provision for compensated absences (Refer note 38)	493.85	400.54
Payable towards defined benefit obligations (Refer note 38)	-	78.37
Provision for superannuation	-	46.27
Other provisions	28.43	-
	<b>522.28</b>	<b>525.18</b>

### Note 22 - Trade payables

	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (MSE) (Refer Note 'A' below)	1,569.32	1,786.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,094.82	3,918.91
	<b>5,664.14</b>	<b>5,705.68</b>

### Trade payables ageing schedule

	Outstanding for following periods from date of transaction					Total
	Accrued Expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>						
Dues to MSE	92.90	1,475.61	0.81	-	-	<b>1,569.32</b>
Dues to Others	982.74	2,960.45	136.41	9.77	5.45	<b>4,094.82</b>
	<b>1,075.64</b>	<b>4,436.06</b>	<b>137.22</b>	<b>9.77</b>	<b>5.45</b>	<b>5,664.14</b>
<b>As at 31 March 2024</b>						
Dues to MSE	-	1,782.60	2.27	1.33	0.57	<b>1,786.77</b>
Dues to Others	349.08	3,368.01	187.96	1.53	12.33	<b>3,918.91</b>
	<b>349.08</b>	<b>5,150.61</b>	<b>190.23</b>	<b>2.86</b>	<b>12.90</b>	<b>5,705.68</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 22 - Trade payables (contd.)

A) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under -

	As at 31 March 2025	As at 31 March 2024
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount	1,569.32	1,786.77
(ii) Interest due on above	5.98	43.90
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	73.34	14.54
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	18.10	1.01
(d) The amount of interest accrued and remaining unpaid at the end of accounting year; and	24.08	30.37
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	Nil	Nil
	<b>1,690.82</b>	<b>1,876.59</b>

### Note 23 - Other liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Statutory dues payable	424.29	220.79
Revenue received in advance (Refer note 25)	135.44	1,564.48
	<b>559.73</b>	<b>1,785.27</b>

### Note 24 Current tax liabilities

	Year ended 31 March 2025	Year ended 31 March 2024
Provision for tax ( net of advance tax)	-	97.46
	<b>-</b>	<b>97.46</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 25 Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from sale of products (Refer note 39)	45,505.95	42,114.61
	<b>45,505.95</b>	<b>42,114.61</b>
<b>Other operating revenue</b>		
Training and other services rendered	227.84	133.99
Duty drawback	1.84	5.02
	<b>229.68</b>	<b>139.01</b>
	<b>45,735.63</b>	<b>42,253.62</b>

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

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	45,505.95	42,114.61
Adjustments:		
Discounts	-	-
<b>Revenue from contracts with customers</b>	<b>45,505.95</b>	<b>42,114.61</b>

### Details of contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables	11,635.03	11,959.29
Revenue received in advance	135.44	1,564.48
<b>Total</b>	<b>11,770.47</b>	<b>13,523.77</b>

### Movement in contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	1,564.48	1,052.91
Less: Revenue recognised from above/ advance forfeited	(1,564.48)	(1,052.91)
Add: Additions during the year	135.44	1,564.48
<b>Closing balance</b>	<b>135.44</b>	<b>1,564.48</b>
Non-current	-	-
Current	135.44	1,564.48

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 25 Revenue from operations (contd.)

#### Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	Year ended 31 March 2025	Year ended 31 March 2024
<b>Sale of products</b>			
Finished goods	At point in time	45,505.95	42,114.61
<b>Other operating revenue</b>			
Training and other services rendered	Over a period of time	227.84	133.99
Duty drawback	At point in time	1.84	5.02
<b>Sale of products comprises :</b>			
<b>Manufactured goods</b>			
Hydraulic pumps, valves, etc		18,536.23	18,200.84
Hydraulic systems		15,528.89	13,490.61
Foundry products		9,355.88	8,507.04
<b>Traded goods</b>			
Other Items (Valves, Pumps, Spares etc)		2,084.95	1,916.12
		<b>45,505.95</b>	<b>42,114.61</b>

In the following table, revenue is disaggregated by primary geographical markets is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
India	44,532.03	41,435.69
Outside India	973.92	678.92
	<b>45,505.95</b>	<b>42,114.61</b>

#### Revenue from major customer

No single customer contributes 10 percent or more of the Group's total revenue for the years ended 31 March 2025 and 31 March 2024

### Note 26 - Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income:		
- on deposits with banks	3.86	3.11
- on overdue trade receivables	56.24	64.19
- on others	26.78	103.17
Rental income	50.64	41.31
Liabilities/ provisions no longer required written back	26.68	10.84
Sale of scrap	72.77	60.31
Profit on sale of property, plant and equipment (net)	-	20.87
Miscellaneous income (comprises of guarantee commission & discount )	136.78	205.29
	<b>373.75</b>	<b>509.09</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 27 - Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock	4,071.18	4,322.18
<b>Add</b> : Purchases	19,700.04	18,425.00
	<b>23,771.22</b>	<b>22,747.18</b>
<b>Less</b> : Closing stock	4,336.12	4,071.18
	<b>19,435.10</b>	<b>18,676.00</b>

### Note 28 - Purchases of stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Purchase of traded goods	2,004.05	2,149.97
	<b>2,004.05</b>	<b>2,149.97</b>

### Note 29 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Inventories at the end of the year:</b>		
Finished goods	2,664.69	2,169.59
Work-in-progress	1,972.83	1,850.50
Stock-in-trade	380.29	515.07
	<b>5,017.81</b>	<b>4,535.16</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	2,169.59	1,883.95
Work-in-progress	1,850.50	1,901.81
Stock-in-trade	515.07	430.20
	<b>4,535.16</b>	<b>4,215.96</b>
	<b>(482.65)</b>	<b>(319.20)</b>

### Note 30 - Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and wages	5,377.49	4,628.96
Contribution to provident and other funds	389.77	320.65
Contribution to defined benefits plan (Refer note 38)	89.51	77.72
Staff welfare expenses	470.19	428.37
	<b>6,326.96</b>	<b>5,455.70</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 31 - Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expenses on borrowings	868.13	800.05
Interest expenses on leases	58.14	13.58
Interest on others	113.62	31.80
	<b>1,039.89</b>	<b>845.43</b>

### Note 32 - Depreciation and amortisation expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on tangible assets (Refer note 3)	1,437.87	1,199.42
Depreciation on Investment property (Refer note 3B)	29.38	57.85
Amortisation on intangible assets (Refer note 4A)	124.42	138.08
Amortisation on right-of-use assets (Refer note 5)	127.14	68.99
	<b>1,718.81</b>	<b>1,464.34</b>

### Note 33 - Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Consumption of stores and spare parts	371.69	344.97
Tools consumed	566.53	436.17
Consumption of packing materials	474.24	524.80
Subcontracting	3,263.47	3,103.15
Contract Labour wages	1,563.80	1,299.32
Power and fuel	1,580.84	1,504.66
Rent including lease rentals	292.97	260.04
Repairs and maintenance - Buildings	197.59	173.38
Repairs and maintenance - Machinery	743.87	624.15
Repairs and maintenance - Others	68.92	97.72
Vehicle maintenance	70.10	59.46
Insurance	111.45	95.32
Rates and taxes	71.45	48.25
Travelling and conveyance	801.36	752.63
Freight and forwarding	730.84	679.34
Legal and professional charges	612.33	537.62
Remuneration to auditors	46.77	39.55
Bad debts written off	31.63	80.29
Loss on sale of property, plant and equipment (net)	2.68	7.73
Net loss on foreign currency transactions and translations	58.88	63.73
Provision for doubtful trade receivables	81.26	97.02
Provision for advances & other receivables	82.74	-
Corporate social responsibility expenses (Refer note 46)	41.79	18.28
Miscellaneous expenses	1,098.23	964.87
	<b>12,965.43</b>	<b>11,812.45</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 34 - Earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Basic and diluted</b>		
Net profit for the year attributable to the equity shareholders	2,462.00	1,881.61
Weighted average number of equity shares	1,30,00,000	1,27,56,831
Par value per share	10.00	10.00
Earnings per share - Basic	18.94	14.75
Earnings per share - Diluted	18.94	14.75

### Note 35 - Contingencies and commitments

#### (a) Contingent liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Claims against the Company not acknowledged as debts</b>		
Disputed income tax liabilities		
(i) AY 2006-07	3.64	3.64
(ii) AY 2008-09	5.68	5.68
(iii) AY 2009-10	19.10	19.10
(iv) AY 2012-13	10.83	10.83
(v) AY 2014-15	18.50	18.50
	<b>57.75</b>	<b>57.75</b>

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

#### (b) Commitments

	As at 31 March 2025	As at 31 March 2024
<b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b>		
Capital commitments	3,901.65	375.94
	<b>3,901.65</b>	<b>375.94</b>

#### (c) Corporate Guarantee

	As at 31 March 2025	As at 31 March 2024
AEPL Grotek Renewable Energy Private Limited	1,500.00	-
	<b>1,500.00</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 36 - Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2025	As at 31 March 2024
Borrowings (Refer note 18)	8,861.51	7,693.33
Trade payables (Refer note 22)	5,664.14	5,705.68
Less: Cash and cash equivalents (Refer note 12)	(206.56)	(1,017.56)
Less: Bank balances other than cash and cash equivalents (Refer note 13)	(50.56)	(61.41)
<b>Net debt</b>	<b>14,268.53</b>	<b>12,320.04</b>
Equity	1,300.00	1,300.00
Other Equity	28,815.23	26,650.58
<b>Capital and net debt</b>	<b>44,383.76</b>	<b>40,270.62</b>
Gearing ratio	32%	31%

### Note 37 - Income Tax

The major components of income tax expense are:

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Current income tax:</b>		
Current income tax charge	306.68	697.41
Current tax of earlier years	316.95	-
	<b>623.63</b>	<b>697.41</b>
<b>Deferred tax charge</b>		
Relating to the origination and reversal of temporary differences	405.59	120.14
Deferred tax income for earlier years	(322.47)	-
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>706.75</b>	<b>817.55</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gains on defined benefit plans	(17.00)	(24.72)
	<b>(17.00)</b>	<b>(24.72)</b>
	<b>689.75</b>	<b>792.83</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Income Tax (contd.)

#### Reconciliation of deferred tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
<b>Opening balance</b>	<b>994.38</b>	<b>916.29</b>
Tax expense/(credit) during the year recognised in Statement of Profit and Loss	97.42	102.81
Tax expense/(credit) during the year recognised in OCI	(17.00)	(24.72)
<b>Closing balance</b>	<b>1,074.80</b>	<b>994.38</b>

#### Reconciliation of deferred tax assets (net)

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Opening balance</b>	<b>170.98</b>	<b>294.19</b>
Additions during the year	14.30	(17.33)
Utilized during the year against tax payment	(28.60)	(105.88)
<b>Closing balance</b>	<b>156.68</b>	<b>170.98</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before tax	3,166.91	2,696.10
Tax on accounting profit at statutory income tax rate at 25.17% (31 March 2024: 29.12%)	797.11	785.10
<b>Reconciling items:</b>		
Net effect of differential tax rate	26.64	(8.63)
Others	(53.97)	33.06
Change in income tax rate	(63.03)	8.02
	<b>706.75</b>	<b>817.55</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>706.75</b>	<b>817.55</b>

#### Details of Items disclosed under deferred tax liabilities

	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax assets (net)	156.68	<b>170.98</b>
Deferred tax liabilities (net)	(1,074.80)	(994.38)
<b>Total</b>	<b>(918.12)</b>	<b>(823.40)</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Income Tax (contd.)

Significant components of deferred tax asset / (liability) for the year ended 31 March 2025 are as follows :

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/ written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	(1,612.28)	1.54	-	-	(1,610.74)
(ii) Lease liabilities net of lease assets	(1.93)	1.11	-	-	(0.82)
<b>Gross deferred tax liabilities</b>	<b>(1,614.21)</b>	<b>2.65</b>	<b>-</b>	<b>-</b>	<b>(1,611.56)</b>
(i) Provision for doubtful receivables and advances	87.01	29.34	-	-	116.35
(ii) Re-measurement of defined benefit liability	197.89	1.66	17.00	-	216.55
(iii) Fair value measurement of financial asset/liability	25.11	(1.29)	-	-	23.82
(iv) MAT credit entitlement	17.71	10.89	-	(28.60)	-
(v) Lease liabilities net of lease assets	-	9.10	-	-	9.10
(vi) Others (Expenses)	126.84	(28.74)	-	-	98.10
(vii) Brought forward business losses/Unabsorbed depreciation carried forward	336.25	(106.73)	-	-	229.52
<b>Gross deferred tax assets</b>	<b>790.81</b>	<b>(85.77)</b>	<b>17.00</b>	<b>(28.60)</b>	<b>693.44</b>
<b>Deferred tax assets (net)</b>	<b>(823.40)</b>	<b>(83.12)</b>	<b>17.00</b>	<b>(28.60)</b>	<b>(918.12)</b>

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

	Opening balance	Recognised in SPL	Recognised in OCI	MAT Credit claimed/ written off	Closing balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act,1961.	(1,394.72)	(217.56)	-	-	(1,612.28)
(ii) Lease liabilities net of lease assets	1.04	(2.97)	-	-	(1.93)
<b>Gross deferred tax liabilities</b>	<b>(1,393.68)</b>	<b>(220.53)</b>	<b>-</b>	<b>-</b>	<b>(1,614.21)</b>
(i) Provision for doubtful receivables and advances	56.14	30.87	-	-	87.01
(ii) Re-measurement of defined benefit liability	168.33	4.84	24.72	-	197.89
(iii) Fair value measurement of financial asset/liability	25.11	-	-	-	25.11
(vi) MAT credit entitlement	118.14	5.45	-	(105.88)	17.71
(v) Others (Expenses)	-	126.84	-	-	126.84
(vi) Brought forward business losses/Unabsorbed depreciation carried forward	403.86	(67.61)	-	-	336.25
<b>Gross deferred tax assets</b>	<b>771.58</b>	<b>100.39</b>	<b>24.72</b>	<b>(105.88)</b>	<b>790.81</b>
<b>Deferred tax assets (net)</b>	<b>(622.10)</b>	<b>(120.14)</b>	<b>24.72</b>	<b>(105.88)</b>	<b>(823.40)</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38

#### Defined benefit obligations

The Group has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the balance sheet date.

#### Defined benefit contributions

The Group makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Group recognised ₹327.56 (31 March 2024: ₹265.38) for provident fund contributions and ₹48.78 (31 March 2024: ₹47.52) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

#### Defined benefit plans

The Group has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

#### Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

#### Liquidity risk

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

#### Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

#### Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts

#### Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 (contd.)

#### Investment risk

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

	As at 31 March 2025	As at 31 March 2024
<b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b>		
Current service cost	67.88	58.51
Interest cost	51.62	49.89
Expected return on plan assets	(29.99)	(30.68)
<b>Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss</b>	<b>89.51</b>	<b>77.72</b>
<b>Re-measurement on the net defined benefit liability</b>		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	116.76	63.80
Return on plan assets excluding amount recognised in net interest expense	2.59	9.29
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>119.35</b>	<b>73.09</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(61.77)	117.16
Actual contributions	156.29	100.01
<b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>		
Present value of defined benefit obligations	(908.25)	(733.76)
Fair value of plan assets	541.69	419.77
<b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>	<b>(366.56)</b>	<b>(313.99)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at the beginning of the year	733.76	678.72
Current service cost	67.88	58.51
Interest cost	51.62	49.89
Actuarial losses	116.76	63.80
Benefits paid	(61.77)	(117.16)
<b>Present value of DBO at the end of the year</b>	<b>908.25</b>	<b>733.76</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at the beginning of the year	419.77	410.91
Expected return on plan assets	29.99	30.68
Actual Group contributions	156.29	100.01
Actuarial losses	(2.59)	(9.29)
Benefits paid	(61.77)	(112.54)
<b>Plan assets at the end of the year</b>	<b>541.69</b>	<b>419.77</b>
Actual return on plan assets	27.40	21.39
<b>Composition of the plan assets is as follows:</b>		
Others- Insurer managed funds	100%	100%

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 (contd.)

	As at 31 March 2025	As at 31 March 2024
<b>Actuarial assumptions</b>		
Discount rate	6.70%-7.20%	7.15% - 7.20%
Salary escalation	4.00%	4.00%
Attrition		
- Below 44 years	9.00%	2.00%
- 44 years and above	2.00%	1.00%

#### Note

The Group is estimated to contribute ₹359.62 (31 March 2024: ₹211.90) towards gratuity funds during the next year.

Details of fund assets which are managed by an insurance Group have not been disclosed since the details have not been provided by them.

The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

#### A quantitative sensitivity analysis for significant assumption is as shown below :

	As at 31 March 2025	As at 31 March 2024
<b>Impact of change in the discount rate</b>		
Impact due to increase of 1%	(62.32)	(59.11)
Impact due to decrease of 1%	71.00	68.54
<b>Impact of change in the salary growth rate</b>		
Impact due to increase of 1%	68.64	66.54
Impact due to decrease of 1%	(61.29)	(58.96)
<b>Impact of change in the attrition rate</b>		
Impact due to increase of 50%	21.75	12.26
Impact due to decrease of 50%	(28.89)	(13.46)
<b>Impact of change in the mortality rate</b>		
Impact due to increase of 10%	0.48	0.62
Impact due to decrease of 10%	(0.54)	(0.63)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

#### Effect of plan on entity's future cash flows

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Group carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group. The weighted average duration of the plan is estimated to be 10 years. Following is a maturity profile of the defined benefit obligation:

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 (contd.)

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

	As at 31 March 2025	As at 31 March 2024
1 year	108.57	83.32
2 - 5 years	413.38	265.40
6 - 10 years	287.38	270.68
More than 10 years	834.15	965.03

### Note 39 Segment information

The Managing Director of the Group has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Group performance and allocates resources based on hydraulic business performance and foundry business performance. Accordingly the segment information has been presented.

The Group has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the Group's revenues for the reporting period. Hence geographical segment is not reported. Business segments are primarily hydraulic business segment and foundry business segment. Hydraulic business segment consists of hydraulic pumps, valves and hydraulic systems. Foundry business segment consists of cast iron castings. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

#### Year ended 31 March 2025

	Hydraulic business	Foundry business	Eliminations	Unallocated	Total
Revenue from sale of products	38,918.80	9,355.88	(2,768.73)	-	45,505.95
Operating income	270.33	19.33	(59.98)	-	229.68
	<b>39,189.13</b>	<b>9,375.21</b>	<b>(2,828.71)</b>	<b>-</b>	<b>45,735.63</b>
Segment result before interest expense, interest income and taxes	6,430.76	1,215.09	(95.87)	(3,495.18)	4,054.80
Add: Interest income	76.49	10.39	-	-	86.88
Less: Finance costs	-	-	-	(1,039.89)	(1,039.89)
<b>Profit before share of profit from associates and tax</b>	<b>6,507.25</b>	<b>1,225.48</b>	<b>(95.87)</b>	<b>(4,535.07)</b>	<b>3,101.79</b>
Share of profit from associates	-	-	-	-	65.12
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,166.91</b>
Taxes	-	-	-	-	706.75
<b>Profit after taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,460.16</b>
Add: Other comprehensive Income	(111.82)	(7.53)	-	-	(119.35)
Taxes	-	-	-	-	17.00
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,357.81</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 Segment information (contd.)

#### Year ended 31 March 2025

	Hydraulic business	Foundry business	Eliminations	Unallocated	Total
<b>Other information</b>					
Depreciation and amortisation expenses	1,476.63	369.18	(127.00)	-	<b>1,718.81</b>
<b>Other material item of income and expense</b>					
Changes in inventory	(381.15)	(46.65)	(54.85)	-	<b>(482.65)</b>
Costs of material consumed	24,260.37	4,485.57	(9,310.84)	-	<b>19,435.10</b>
Purchases of stock-in-trade	2,004.05	-	-	-	<b>2,004.05</b>

#### Year ended 31 March 2024

	Hydraulic business	Foundry business	Eliminations	Unallocated	Total
Revenue from sale of products	36,461.45	8,507.04	(2,853.88)	-	<b>42,114.61</b>
Operating income	135.52	36.10	(32.61)	-	<b>139.01</b>
	<b>36,596.97</b>	<b>8,543.14</b>	<b>(2,886.49)</b>	-	<b>42,253.62</b>
Segment result before interest expense, interest income and taxes	5,606.16	787.17	(81.54)	(2,958.81)	<b>3,352.98</b>
Add: Interest income	170.47	-	-	-	<b>170.47</b>
Less: Finance costs	-	-	-	(845.43)	<b>(845.43)</b>
<b>Profit before share of profit from associates and tax</b>	<b>5,776.63</b>	<b>787.17</b>	<b>(81.54)</b>	<b>(3,804.24)</b>	<b>2,678.02</b>
Share of profit from associates	-	-	-	-	<b>18.08</b>
<b>Profit before tax</b>	-	-	-	-	<b>2,696.10</b>
Taxes	-	-	-	-	<b>817.55</b>
<b>Profit after taxes</b>	<b>4.52</b>	-	-	-	<b>1,878.55</b>
Add: Other comprehensive Income	(41.95)	(15.10)	-	(16.04)	<b>(73.09)</b>
Taxes	-	-	-	-	<b>24.72</b>
<b>Total Comprehensive Income</b>	-	-	-	-	<b>1,830.18</b>
<b>Other information</b>					
Depreciation and amortisation expenses	1,107.74	356.60			<b>1,464.34</b>
<b>Other material item of income and expense</b>					
Changes in inventory	(544.48)	221.65	3.63	-	<b>(319.20)</b>
Costs of material consumed	23,088.17	4,071.98	(8,484.15)	-	<b>18,676.00</b>
Purchases of stock-in-trade	<b>2,149.97</b>	-	-	-	<b>2,149.97</b>

#### Note:

Assets and liabilities used in the Group's business are not identified to any of the operating segments, as they can be used interchangeably between segments.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 Segment information (contd.)

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenues from external customers for each product or each group of similar products		
Sale of products	45,505.95	42,114.61
	<b>45,505.95</b>	<b>42,114.61</b>
Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues		
India	44,532.03	41,435.69
Outside India	973.92	678.92
	<b>45,505.95</b>	<b>42,114.61</b>
Non-current assets (other than financial instruments and deferred tax assets) located in the Group's country of domicile and in all foreign countries in which the Group holds assets		
India	28,189.42	21,308.06
Outside India	-	-
	<b>28,189.42</b>	<b>21,308.06</b>

Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale

No single customer contributes 10 percent or more of the Group's total revenue for the years ended 31 March 2025 and 31 March 2024.

### Note - 40 Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial Assets				
Loans	7	20.65	-	-
Other financial assets	8	226.71	-	-
<b>Current assets</b>				
Financial assets				
Trade receivables	11	11,635.03		
Cash and cash equivalents	12	206.56	-	-
Bank balances other than cash and cash equivalents	13	50.56	-	-
Loans	7	39.99	-	-
Other financial assets	8	147.60	-	-
<b>Total</b>		<b>12,327.10</b>	<b>-</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 40 Fair value measurements (contd.)

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities	18	606.08	-	-
Lease liabilities	19	955.33	-	-
Other financial liabilities	20	7.41	-	-
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18	8,255.43	-	-
Lease liabilities	19	119.84	-	-
Trade payables	22	5,664.14	-	-
Other financial liabilities	20	4,190.04	-	-
<b>Total</b>		<b>19,798.27</b>	<b>-</b>	<b>-</b>

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

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial Assets				
Loans	7	37.89	-	-
Other financial assets	8	92.41	-	-
<b>Current assets</b>				
Financial assets				
Trade receivables	11	11,959.29	-	-
Cash and cash equivalents	12	1,017.56	-	-
Bank balances other than cash and cash equivalents	13	61.41	-	-
Loans	7	36.03	-	-
Other financial assets	8	303.62	-	-
<b>Total</b>		<b>13,508.21</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities	18	804.40	-	-
Lease liabilities	19	62.69	-	-
Other financial liabilities	20	8.11	-	-
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18	6,888.93	-	-
Lease liabilities	19	60.75	-	-
Trade payables	22	5,705.68	-	-
Other financial liabilities	20	3,008.40	-	-
<b>Total</b>		<b>16,538.96</b>	<b>-</b>	<b>-</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note - 40 Fair value measurements (contd.)

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

#### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group does not have any financial instrument designated at FVTPL or FVOCI to be valued as per level 1, level 2, level 3, hence this disclosure is not presented.

### Note 41 - Financial risk management

The Group's financial assets majorly comprise of trade receivables, investments, loans, Bank balances other than cash and cash equivalents and cash & cash equivalents. The Group's financial liabilities majorly comprises of borrowings, trade payables and lease liabilities.

The Group is primarily exposed to market risk, credit risk and liquidity risk arising out of operations. The Group's financial assets category are summarised in Note 7, Note 8 and Note 11 to 13.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

#### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

##### Assets under credit risk

	As at 31 March 2025	As at 31 March 2024
<b>Asset</b>		
Loan	60.64	73.92
Trade receivables	11,635.03	11,959.29
Cash and cash equivalents	206.56	1,017.56

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd.)

#### Assets under credit risk (contd.)

	As at 31 March 2025	As at 31 March 2024
Bank balances other than cash and cash equivalents	50.56	61.41
Other financial assets	374.31	396.03
	<b>12,327.10</b>	<b>13,508.21</b>

#### A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

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

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning	298.30	201.28
Impairment loss recognised (Refer note 33)	81.26	97.02
<b>Balance at the end</b>	<b>379.56</b>	<b>298.30</b>

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

31-Mar-25	Trade receivables					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	10,720.81	447.76	410.93	175.36	259.73	12,014.59
Expected credit loss rate		9.61%	6.05%	34.02%	97.02%	
Lifetime expected credit loss	-	43.05	24.85	59.66	252.00	379.56

31-Mar-24	Trade receivables					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	10,843.30	497.93	472.35	76.15	367.85	12,257.59
Expected credit loss rate		8.85%	10.07%	30.97%	49.77%	
Lifetime expected credit loss		44.07	47.58	23.59	183.06	298.30

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd.)

#### A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

#### (B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

#### Maturities of financial liabilities

As at 31 March 2025	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,255.43	606.08	-	8,861.51
Lease liabilities	137.45	978.34	-	1,115.79
Trade payables	5,664.14	-	-	5,664.14
Other financial liabilities	4,190.04	7.41	-	4,197.45
<b>Total</b>	<b>18,247.06</b>	<b>1,591.83</b>	<b>-</b>	<b>19,838.89</b>

As at 31 March 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	6,888.93	804.40	-	7,693.33
Lease liabilities	68.80	71.11	-	139.91
Trade payables	5,705.68	-	-	5,705.68
Other financial liabilities	3,008.40	8.11	-	3,016.51
<b>Total</b>	<b>15,671.81</b>	<b>883.62</b>	<b>-</b>	<b>16,555.43</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd.)

#### (C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which results from both its operating and investing activities.

##### Foreign currency sensitivity

The Group operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

Included In	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	3.05	261.40	3.06	254.82
	GBP	0.12	12.77	0.11	11.59
	EURO	1.02	94.32	1.82	164.20
EEFC balances	USD	0.01	1.19	0.01	0.98
<b>Financial liabilities</b>					
Trade payables	USD	7.57	650.57	12.17	1,014.38
	JPY	2.95	1.71	-	-
	EURO	1.00	92.52	0.92	83.40

##### Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd.)

	Increase 31 March 2025	Decrease 31 March 2025	Increase 31 March 2024	Decrease 31 March 2024
<b>Sensitivity</b>				
INR/USD	(3.87)	3.87	(7.59)	7.59
INR/EURO	0.02	(0.02)	0.81	(0.81)
INR/JPY	0.02	(0.02)	-	-
INR/GBP	0.13	(0.13)	0.12	(0.12)

#### Interest rate risk

##### Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2025, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

##### Interest rate risk exposure

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

	As at 31 March 2025	As at 31 March 2024
Variable rate borrowing	8,304.45	7,693.33
Fixed rate borrowing	557.06	-
<b>Total borrowings</b>	<b>8,861.51</b>	<b>7,693.33</b>
Amount disclosed under borrowings	8,861.51	7,693.33

##### Sensitivity

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

	31 March 2025	31 March 2024
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points (100 bps)	83.04	76.93
Interest rates – decrease by 100 basis points (100 bps)	(83.04)	(76.93)
<b>Impact on Equity</b>		
Increase by 100 basis points (100 bps)	62.14	54.53
Decrease by 100 basis points (100 bps)	(62.14)	(54.53)

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures

Nature of relationship	Name of related parties
<b>I Associate companies</b>	Sai India Limited Bourton Consulting (India) Private Limited (till 30 September 2024) AEPL Grotek Renewable Energy Private Limited
<b>II Entity having significant influence</b>	Yuken Kogyo Co Limited
<b>III Key Management Personnel (KMP)</b> Managing Director Whole Time Director Chief Financial Officer Chief Executive Officer Company Secretary	C P Rangachar Yoshitake Tanaka (till 20.09.2024) H M Narasinga Rao A. Venkata Krishnan Suchithra R Vignesh P (Resigned w.e.f. 13.01.2024) Premchander (Resigned w.e.f 02.09.2024) Indra Prem Menon R Srinivasan(Resigned w.e.f 02.09.2024) Tadanori Okada (Appointed w.e.f 07.08.2024) Vidya Rangachar (Resigned w.e.f 05.09.2024) Hideemi Yasuki (Resigned w.e.f 05.09.2024) Hideharu Nagahisa(Resigned w.e.f 05.09.2024) Tadimalla Parabrahman Kaleginanaoor Chandrashekhar Sharma Yoshitake Tanaka (w.e.f 20.09.2024)
<b>Related party where transactions have taken place</b>	
<b>IV Close member of KMP</b>	Madhuri Rangachar Vidya Rangachar
<b>V Entities controlled by significant shareholder</b>	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Shanghai) Company Ltd. Yuken Sea Co Limited Yuken Hydraulics (Zhangjiangang) Co. Ltd Yuken North America Corporation
<b>VI Parties in which key management personnel or their close member have significant influence</b>	Benefic Investment and Finance Company (Private) Limited Nature Arbor LLP
<b>VII Post employment benefit plans</b>	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd.)

VIII Details of related parties transactions for the year ended 31 March 2025 and 31 March 2024 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
<b>Purchase of goods and services received</b>			
Yuken Kogyo Co Limited	Entity having significant influence	1,324.91	1,606.60
Yuken Hydraulics (T.W) Co Limited	Entity controlled by significant shareholder	923.89	715.54
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	341.01	240.19
Sai India Limited	Associate	-	0.60
Bourton Consulting (India) Private Limited	Associate	8.63	15.65
<b>Brand fees paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	123.98	124.84
<b>Sale of goods and services</b>			
Yuken Kogyo Co Limited	Entity having significant influence	226.93	85.53
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	2.37	0.59
Yuken Europe Limited	Entity controlled by significant shareholder	30.49	27.45
Yuken Korea Co Ltd	Entity controlled by significant shareholder	-	9.75
Yuken Sea Co Limited	Entity controlled by significant shareholder	0.12	16.72
Yuken Kogyo (Shanghai) Company Ltd.	Entity controlled by significant shareholder	8.82	-
Yuken North America Corporation	Entity controlled by significant shareholder	0.54	0.37
Sai India Limited	Associate	7.07	2.04
<b>Dividend paid</b>			
Yuken Kogyo Co Limited	Entity having significant influence	87.00	46.40
C P Rangachar	KMP	1.27	0.67
Vidya Rangachar	Close member of KMP	0.24	0.13
Madhuri Rangachar	Close member of KMP	0.12	0.06
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their close member have significant influence	20.88	11.13
<b>Guarantee Commission Income</b>			
AEPL Grotek Renewable Energy Private Limited	Associate	14.48	-
<b>Remuneration and short term benefits including commission</b>			
C P Rangachar	KMP	114.09	113.62
H M Narasinga Rao	KMP	68.64	83.03
Vignesh P	KMP	-	8.45

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2025	Year ended 31 March 2024
Suchithra R	KMP	8.20	2.75
A. Venkata Krishnan	KMP	53.81	48.66
Yoshitake Tanaka	KMP	25.32	50.06
Premchander	KMP	1.92	2.84
Indra Prem Menon	KMP	1.92	2.84
Vidya Rangachar	KMP	1.92	2.84
R Srinivasan	KMP	1.92	2.84
Tadanori Okada	KMP	1.92	-
Hidemi Yasuki	KMP	1.92	2.84
Parabrahman Tadimalla	KMP	1.92	2.84
Kaleginanaoor Chandrashekhar Sharma	KMP	1.92	2.84
Hideharu Nagahisa	KMP	1.92	2.84
<b>Director's Sitting fee</b>			
Premchander	KMP	2.00	3.00
Indra Prem Menon	KMP	3.00	2.20
Vidya Rangachar	KMP	0.80	1.40
R Srinivasan	KMP	1.70	3.20
Hidemi Yasuki	KMP	0.80	1.40
Hideharu Nagahisa	KMP	0.80	1.20
Parabrahman Tadimalla	KMP	2.00	0.40
Kaleginanaoor Chandrashekhar Sharma	KMP	2.30	0.40
Tadanori Okada	KMP	0.90	-
Yoshitake Tanaka	KMP	0.60	-
<b>Other expenses</b>			
Nature Arbor LLP	Parties in which KMP or their close member have significant influence	6.60	-
<b>Payment towards expenses</b>			
Vidya Rangachar	Close member of KMP	0.75	1.80
<b>Reimbursement of expense(net)</b>			
Yuken Kogyo Co Limited	Entity having significant influence	23.06	11.46
Yuken Europe Limited	Entity controlled by significant shareholder	5.14	-
<b>Contribution to post employment benefit plans</b>			
Yuken India Employees Gratuity Trust	Post employment benefit plans	156.29	100.01
Yuken India Employees Superannuation Fund	Post employment benefit plans	42.19	43.75

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd.)

IX Details of amounts outstanding from related parties as at 31 March 2025 and 31 March 2024 are as follows :

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2025	As at 31 March 2024
<b>Trade Receivables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	100.40	34.07
Yuken Europe Limited	Entity controlled by significant shareholder	12.77	11.59
AEPL Grotek Renewable Energy Private Limited	Associate	14.48	-
Sai India Limited	Associate	-	21.69
<b>Reimbursement of expenses receivables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	15.13	-
<b>Trade Payables</b>			
Yuken Kogyo Co Limited	Entity having significant influence	437.41	779.08
Yuken Hydraulics (T.W) Co Ltd	Entity controlled by significant shareholder	283.77	128.74
Yuken Hydraulics (Zhangjiangang) Co. Ltd	Entity controlled by significant shareholder	66.44	94.42
Sai India Limited	Associate	-	0.60
Bourton Consulting (India) Private Limited	Associate	-	1.64
<b>Commission Payable</b>			
Yoshitake Tanaka	KMP	1.92	2.84
Premchander	KMP	1.92	2.84
Indra Prem Menon	KMP	1.92	2.84
Vidya Rangachar	Close member of KMP	1.92	2.84
R Srinivasan	KMP	1.92	2.84
Tadanori Okada	KMP	1.92	-
Hidemi Yasuki	KMP	1.92	2.84
Parabrahman Tadimalla	KMP	1.92	2.84
Kaleginanaoor Chandrashekhar Sharma	KMP	1.92	2.84
Hideharu Nagahisa	KMP	1.92	2.84
<b>Salary Payable</b>			
C P Rangachar	KMP	6.80	20.60
H M Narasinga Rao	KMP	3.60	3.34
Yoshitake Tanaka	KMP	-	4.15
Suchithra R	KMP	0.65	0.64
A. Venkatakrishnan	KMP	3.16	2.88
<b>Guarantees outstanding</b>			
AEPL Grotek Renewable Energy Private Limited	Associate	1,500.00	-

**Note:**

- (i) The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- (ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences.

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 and its comparatives on an undiscounted basis:

	As at 31 March 2025	As at 31 March 2024
Within one year	137.45	68.80
After one year but not more than five years	978.34	71.11
	<b>1,115.79</b>	<b>139.91</b>

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Amount recognised in Statement of Profit and Loss</b>		
Depreciation on right of use assets	127.14	68.99
Interest on lease liabilities	58.14	13.58
Expenses relating to short term leases	292.97	260.04
<b>Amount recognised in Statement of Cash Flow</b>		
Total cash outflow for leases - principal	103.23	79.25
Total cash outflow for leases - interest	58.14	13.58

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 44

**Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries/ associates for the year ended 31 March 2025**

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)		Share of OCI		Share of total comprehensive income	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Yuken India Limited</b>	95%	28,624.96	56%	1,384.00	92%	(94.39)	55%	1,289.61
<b>Subsidiaries</b>								
Coretec Engineering India Private Limited, India	1%	163.46	0%	(11.82)	2%	(2.52)	-1%	(14.34)
Grotek Enterprises Private Limited, India	6%	1,891.68	30%	740.37	5%	(5.44)	31%	734.93
Kolben Hydraulics Limited, India	0%	92.84	-2%	(39.18)	0%	-	-2%	(39.18)
<b>Associates (Investment as per the equity method)</b>								
Sai India Limited, India	0%	-	3%	64.25	-	-	3%	64.25
Bourton Consulting (India) Private Limited, India	-	-	0%	0.10	-	-	0%	0.10
AEPL Grotek Renewable Energy Private Limited, India	0%	-	0%	0.77	-	-	0%	0.77
Non-controlling interest in subsidiary	0%	(5.47)	0%	1.84	-	-	0%	1.84
Intercompany elimination and consolidation adjustments	-2%	(652.24)	13%	321.67	-	-	14%	321.67
<b>Total</b>	<b>100%</b>	<b>30,115.23</b>	<b>100%</b>	<b>2,462.00</b>	<b>100%</b>	<b>(102.35)</b>	<b>100%</b>	<b>2,359.65</b>

**Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries/ associates for the year ended 31 March 2024**

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)		Share of OCI		Share of total comprehensive income	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Yuken India Limited</b>	98%	27,530.36	78%	1,459.29	71%	(34.21)	78%	1,425.08
<b>Subsidiaries</b>								
Coretec Engineering India Private Limited, India	1%	177.81	5%	91.24	7%	(3.27)	5%	87.97
Grotek Enterprises Private Limited, India	4%	1,156.75	24%	456.65	23%	(10.89)	24%	445.76
Kolben Hydraulics Limited, India	0%	132.02	-3%	(65.27)	0%	-	-4%	(65.27)

## Summary of material accounting policies and other explanatory information for the year ended 31 March 2025



All amounts are in ₹ lakhs, unless otherwise stated

### Note 44 (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)		Share of OCI		Share of total comprehensive income	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Associates (Investment as per the equity method)</b>								
Sai India Limited, India	0%	-	1%	24.18	0%	-	1%	24.18
Bourton Consulting (India) Private Limited, India	0%	-	0%	1.07	0%	-	0%	1.07
AEPL Grotek Renewable Energy Private Limited, India	0%	-	0%	(7.17)	0%	-	0%	(7.17)
Non-controlling interest in subsidiary Intercompany elimination and consolidation adjustments	0%	(7.31)	0%	3.06	0%	-	0%	3.06
	-4%	(1,039.05)	-4%	(81.44)	0%	-	-4%	(81.44)
<b>Total</b>	<b>100%</b>	<b>27,950.58</b>	<b>100%</b>	<b>1,881.61</b>	<b>100%</b>	<b>(48.37)</b>	<b>100%</b>	<b>1,833.24</b>

### Note 45

The group also has interests in a number of individually associates that are accounted for using the equity method for the year ended 31 March 2025

Name of the Company	Opening balance	Transactions during the year	Profit/(Loss) as at 31 March 2025	Carrying amount of Investments at 31 March 2025
Sai India Limited	549.84	-	64.25	614.09
Bourton Consulting (India) Private Limited (Refer Note 6 (C) and (D))	2.35	(2.45)	0.10	-
AEPL Grotek Renewable Energy Private Limited	264.68	269.00	0.77	534.45
<b>Total</b>	<b>816.87</b>	<b>266.55</b>	<b>65.12</b>	<b>1,148.54</b>

The group also has interests in a number of individually associates that are accounted for using the equity method for the year ended 31 March 2024

Name of the Company	Opening balance	Transactions during the year	Profit/(Loss) as at 31 March 2024	Carrying amount of Investments at 31 March 2024
Sai India Limited	525.66	-	24.18	549.84
Bourton Consulting (India) Private Limited (Refer Note 6 (C) and (D))	2.84	(1.56)	1.07	2.35
AEPL Grotek Renewable Energy Private Limited	271.85	-	(7.17)	264.68
<b>Total</b>	<b>800.35</b>	<b>(1.56)</b>	<b>18.08</b>	<b>816.87</b>

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 46 Corporate social responsibility ('CSR')

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

	Year ended 31 March 2025	Year ended 31 March 2024
(a) Amount required to be spent by the Company	32.20	21.36
(b) Amount approved by the Board to be spent during the year	32.20	21.36
<b>Amount spent during the year</b>	41.79	17.07
(i) Out of which, spent towards current year obligation	32.24	-
(ii) Spent from unspent amount of previous year	9.55	-
<b>In cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	41.79	17.07
iii) Transferred to separate bank account	-	-
<b>Yet to be paid in cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
<b>Shortfall at the end of the year</b>	-	4.29
<b>Excess amount spent during the previous year</b>	-	-
<b>Excess amount spent during the previous year</b>	-	1.16
<b>Total of Previous years shortfall</b>	-	-
<b>Net Excess / shortfall</b>	-	3.13

#### a) Details of unspent CSR amounts:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
9.55	9.55	-	-	-

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

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	32.24	32.24	-

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 47 Other statutory information

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

### Note 48 Previous period comparatives

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

## Summary of material accounting policies and other explanatory information

for the year ended 31 March 2025

All amounts are in ₹ lakhs, unless otherwise stated

### Note 49 Management note on Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, incorporated in India, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and one subsidiary. Accounting software administration guide states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.

One subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature was not enabled.

As per our report of even date attached

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

**Lokesh Khemka**  
Partner  
Membership No.: 067878

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

Bengaluru  
Wednesday, 28 May 2025

**H M Narasinga Rao**  
Chief Financial Officer

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

**Kaleginanaoor Chandrashekhar Sharma**  
Director  
DIN: 09505130

**Suchithra R**  
Company Secretary  
ACS : 70262

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

**A Venkatakishnan**  
Chief Executive Officer





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