BOARD OF DIRECTORS	Mr OSAMU TANAKA - Chairman Mr Y MUKAIDE Mr R SRINIVASAN Mr V BALAJI BHAT CAPT. N S MOHANRAM Dr. PREMCHANDER Mr C P RANGACHAR - Managing Director Mr S YAMANOI - Whole Time Director
CFO & COMPLIANCE OFFICER	Mr H M NARASINGA RAO
BANKERS	1. STATE BANK OF INDIA 2. BANK OF TOKYO MITSUBISHI UFJ LTD. 3. MIZUHO CORPORATE BANK LTD.
AUDITORS	M/S DELOITTE HASKINS & SELLS Chartered Accountants
REGISTERED OFFICE AND WORKS	P.B. No. 16 Whitefield Road Whitefield, Bangalore-560 066.
FOUNDRY DIVISION	No. 16-C, Doddanekundi Industrial Area, IInd phase, Mahadevapura, Bangalore - 560 048. SY.No. 52, Khatha No. 84/171, 85/172, Hedegabanahalli Village, Madivala Post, Malur Taluk, Kolar Dist. - 569 130.
SALES OFFICES	26, Community Centre Mayapuri, New Delhi - 110 064. Indra Prastha, # 46A, Madan Mohan Malaviya Sarani, Ground Floor, Kolkata - 700 020. H-4, Ansa Indl. Premises Co-op Society Limited Saki Vihar Road, Sakinaka Mumbai - 400 072. B-80, 2nd Cross, 1st Phase Peenya Industrial Area, Bangalore - 560 058.

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NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of Yuken India Limited will be held at Registered Office , P B No 16, Whitefield Road, Whitefield, Bangalore 560 066 on 30th August 2012 at 10.30 am to transact the following business:

1. Reports of the Board of Directors and Auditors thereon.

A.ORDINARY BUSINESS:

To consider and adopt the audited Balance Sheet

2. To declare a dividend on equity shares.

3. To appoint a Director in place of Mr.R Srinivasan, who retires by rotation, but being eligible, offers him for re-appointment.

4. To appoint a Director in place of Mr.V Balaji Bhat, who retires by rotation, but being eligible, offers him for re-appointment.

5. To appoint Auditors and to fix their remuneration.

"RESOLVED that M/s Deloitte Haskins & Sells, Chartered Accountants, (Registration No.008072S) the retiring auditors be and is hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

REGISTERED OFFICE :

PB 16, Whitefield Road
Whitefield
Bangalore 560 06

By order of the Board

C P Rangachar
Managing Director.

Place: Bangalore
Date:21st May 2012

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and such proxy need not be a member of the company.

2. The Instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27/08/2011 to 29/08/2011(both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.

4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.

5. Members are requested to intimate to the Company any changes, if any, in their registered addresses at an early date.

6. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend through ECS. Incase of any change in the bank particulars, kindly contact the respective depository accounts for effecting the changes.

9. Under section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 205-C of the Companies Act, 1956, no claim shall lie against the company or the said Fund, in respect of Individual amount/s which remained unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.

10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am and 1.00 pm up to the date of the meeting.

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

Particulars	Mr.R Srinivasan	Mr V Balaji Bhat
Date of Birth	10.09.1941	19.06.1964
Date of appointment/ re-appointment	From the date of AGM	From the date of AGM
Qualifications	Graduate in Mechanical Engineering (BE Hons)	Chartered Accountant
Expertise	Managed Widia India Ltd as Managing Director from 1981 to 1994 and transformed to become a market leader. Past chairman of CII, Karnataka , Governing council of CMTI , Bangalore. Past president of Greater Mysore Chamber of Commerce and IMTMA Founder member of TQM Division started by CII in 1987. Closely involved with the Business Excellence initiative of CII. Closely associated with IMTMA and involved in establishing Bangalore International Exhibition Centre.	Expertise in Merger & Acquisitions, Business Advisory services, International Taxation & Strategic advice. Corporate Finance consultancy to more than 100 medium size Companies in India and APAC. Founder Partner of Gnanobha & Bhat. Served for More than 13 years founder partner at Gnanobha & Bhat, a firm of, Chartered Accountants at Bangalore. Was in charge of the Consultancy practice.
Directorships held in other public Companies	ACE Designers Ltd Cholamandalam MS General Insurance Co Ltd Kirloskar Oil Engines Ltd Murugappa Morgan Thermal Ceramics Ltd Nettur Technical Training Foundation TTK Healthcare Ltd TTK Prestige Ltd Tube Investments of India Ltd Sundaram Fastertners Ltd Mind Tree Ltd Sterling Abrasives Ltd	Subex Ltd Subex Technologies Ltd Indus Fila Ltd Indus Age Advisors Ltd
Membership/ Chairmanship of committees of other public Companies	**Audit Committee Chairman** Sundaram Fasteners Ltd ACE Designers Ltd Cholamandalam MS General Insurance Company Ltd **Audit Committee Member** Tube Investment of India Ltd TTK Prestige LTD Kirloskar Oil Engines Ltd Mind Tree Ltd **Remuneration Committee Member** TTK Prestige LTD Mind Tree Ltd Tube Investment of India Ltd	**Audit Committee Chairman** Subex Ltd Indus Fila Ltd **Compensation Committee Member** Subex Ltd
No of shares held in the Company	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

BOARD OF DIRECTORS:

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

Composition

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

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

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting , the number of Directorship and Committee Membership held by them in domestic public companies as at March 31, 2012 are as indicated below:

Director	Whether Promoter/ Executive/Non-Executive/ Independent/Non-Independent	Attendance particulars		* LOA	No. of outside Director ship held	No. of Board Committees of other Companies in which a member	Chairman/ Member of Board Committees of other Companies in which a member
		Board Meeting	Last AGM				
1.Mr. Y Mukaide	Non-Executive & Non-Independent (Collaborator)	1	-	Yes	-	-	-
2. Mr. O. Tanaka (Chairman)	Non- Executive & Non-Independent (Collaborator)	1	Yes	Yes	-	-	-
3. Mr. S Yamanoi	Executive & Non-Independent (Collaborator)	4	Yes	Yes	-	-	-
4. Mr. R Srinivasan	Non- Executive & Independent	5	Yes	-	12	4 6	Chairman Member
5. Mr. V Balaji Bhat	Non- Executive & Independent	5	Yes	-	5	2 1	Chairman Member
6. Capt N S Mohan ram	Non- Executive & Independent	4	Yes	Yes	-	-	-
7. Dr. Premcha nder	Non- Executive & Independent	3	Yes	Yes	-	-	-
8. Mr. C P Rangachar-Managing Director	Executive & Non-Independent (Promoter Group)	5	Yes	-	4	1	Member

*** LOA- Leave of Absence.**

Board Meetings

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

During the financial year 2011-12 our Board met five times on 14/05/2011, 23/07/2011, 02/09/2011, 22/10/2011, & 21/01/2012.

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

Board committee:

As per the Listing Agreement, no director can be a member of more than ten committees or act as Chairman of more than five committees across all Companies in which he is a director. None of the directors of our

Company were members in more than ten committees nor acted as Chairman of more than five committees across all Companies in which they were directors.

CODE OF CONDUCT:

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to all Directors, Senior Management and employees of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and exemplary personal conduct. The code is available on the Company's Corporate Website. All the Board members and senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2012. A certificate to this effect, duly signed by the Managing Director is annexed thereto.

AUDIT COMMITTEE:

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

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

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

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

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

The terms of reference of the Audit Committee are as under:

a) Oversight of the Company's financial reporting process and the disclosures of the financial information to ensure that the financial statements are correct, sufficient and credible.
b) Recommending to the Board the appointment and removal of external auditors, fixation of audit fees and approval for payment for any other services.
c) Reviewing, with management, the annual financial statements before submission to the Board for approval with particular reference to

- Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956
- Any changes in accounting policies and practices

- Major accounting entries involving estimates based on the exercise of judgment by the management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliances with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

d) Reviewing, with the management, statutory and internal auditors, and the adequacy of the internal control systems.

e) Reviewing the adequacy of the internal audit functions, including the structure of the internal audit department, approval of the audit plan and its execution and frequency of audit plan.

f) Discussion with internal auditors any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

h) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.

i) Reviewing of management letters issued by statutory auditors.

j) Reviewing the Company's financial and risk management policies.

k) Looking into reasons for substantial defaults in the payment to depositors, debenture holders, share-holders (in case of non-payment of declared dividend) and creditors.

l) Seek assistance form statutory auditors in such areas and in such manner as desired by the audit Committee from time to time.

m) Reviewing the Management Discussion and Analysis of financial condition and results of operations.

n) Reviewing with the Management, the quarterly financial statements before submission for approval.

o) Appointment of Chief Financial Officer (CFO) after the assessing the qualifications, experience & background of the candidate.

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

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

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

The Compliance Officer functions as Secretary to the Committee.

All the members are financially literate and have relevant finance and/or audit exposure. Mr. V Balaji Bhat is a financial expert.

During the year, four meetings of the Audit Committee were held, the dates being 14/05/2011, 23/07/2011, 22/10/2011 & 21/01/2012. The quorum as required under Clause 49(II)(B) was maintained at all the meetings.

The composition of the Audit Committee as at 31st March, 2012 and the attendance of the members at the Audit Committee Meetings are as follows:

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

The Chairman of the Audit Committee Mr.V Balaji Bhat was present at the Annual General Meeting held on 2nd September 2011.

REMUNERATION COMMITTEE:

The purpose of the Remuneration Committee of the Board shall be to discharge the Board's responsibilities relating to the compensation of the Company's executive directors, non-executive directors and senior management. The Committee has overall responsibility for approving and evaluating the executive directors, non-executive directors and senior management compensation plans, policies and programs.

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

As at the year end, the Remuneration Committee comprises of three Non-executive & Independent Directors, Mr. R Srinivasan as Chairman besides Mr. V Balaji Bhat and Dr. Premchander as members.

During the year, no meeting took place.

SHARES TRANSFERS AND INVESTORS GRIEVANCE COMMITTEE:

The Shares Transfers and Investors Grievance Committee are authorized to:

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

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

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

Committee Members	No of Meetings held during the year	No of Meetings attended during the year
Mr. H M Narasinga Rao	7	7
Mrs U S Geetha Pushpa	7	7

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

Sl. no	Nature of Complaints	Received	Addressed	Pending
1	Complaints with regard to non-receipt of share certificates	3	3	-
2	Complaints with regard to non-receipt of Dividend warrant	2	2	-
3	Complaints with regard to non-receipt of Annual Report	2	2	-
4	Others(complaints received through SE/SEBI)	-	-	-
	TOTAL	7	7	-

SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian subsidiary company and hence it is not mandatory to have an Independent Director on the Board of such subsidiary company. The Audit Committee reviews the financial statements, particularly, the investments made by the Company's non-listed subsidiary companies. The minutes of unlisted subsidiary companies have been placed before the Board for their attention, except in case of a subsidiary, Prism Hydraulics Private Limited, where the minutes of Board Meeting were not available from 17th August ,2011 for review due to restriction placed by Company Law Board.

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

DISCLOSURES:

(A) Related Party transactions:

During the financial year ended 31st March 2012, besides the transactions reported in Note 29 of Notes forming part of the financial statements in the Annual Report, there were no other material related party transactions. These transactions do not have any potential conflict with the interest of the Company at large. Further, there are no material individual transactions that are not in the normal course of business or not on arm's length basis.

(B) Disclosure of accounting treatment:

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

(C) Risk Management:

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

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

The Company has not raised any capital during the year ended 31st March, 2012.

(E) Remuneration of Directors

Executive Directors:

Mr S Yamanoi was appointed as whole Time Director at the AGM under section 198 and 309 of the Companies Act, 1956 for a period of 3 years with effect from 1st April 2010 on contract basis , renewable at the end of 3rd year with a gross remuneration of Rs 200000/- (Rupees Two Lakhs) per month.

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

Commission payable to Non – Executive Directors:

Director	Amount payable (Rs.in lakhs)
Mr. O Tanaka	2.86
Mr. Y Mukaide	2.86
Mr. R Srinivasan	2.86
Mr. Balaji Bhat	2.86
Capt N S Mohanram	2.86
Dr Premchander	2.86

Details of remuneration paid to the Executive Directors for the year 2011-12 *:

(Rs.in lakhs)

Name & Designation	Salary & Commission	Value of Perquisites	Contribution to Provident and Superannuation Fund	Total (Rs)
Mr. C .P. Rangachar (Managing Director)	66.21	8.23	11.34	85.78
Mr. S Yamanoi (Whole Time Director)	15.38	7.45	1.11	23.94

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

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS:

The compensation of the Non-Executive Directors is in the form of sitting fees and commission not

exceeding 1% of the net profits of the Company so long as the Company has a whole time Director and / or Managing Director, as recommended by the remuneration committee and Board of Directors and approved by the shareholders.

The Non-Executive Directors were in receipt of sitting fees of Rs 10,000/-per meeting.

Sitting Fees paid to Non-Executive Directors:

Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Shares Transfers and Investors Grievance Committee Meeting	Total (Rs)
Mr. Y Mukaide	1	-	-	-	10,000
Mr.O Tanaka	1	-	-	-	10,000
Mr. R Srinivasan	5	4	-	-	90,000
Mr. V Balaji Bhat	5	4	-	-	90,000
Capt N S Mohanram	4	3	-	-	70,000
Dr. Premchander	3	-	-	-	30,000
				TOTAL	**3,00,000**

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

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

(F) Management Discussion and Analysis:

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

CEO/CFO CERTIFICATION:

The Managing Director being the Chief Executive Officer (CEO) and the Vice President– Finance being the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31,2012, which is annexed there to.

GENERAL BODY MEETING:

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

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

Year	Date	Location	Time
2008-09	26th August,2009	Regd Office: Post Box no:16, Whitefield Road, Whitefield. Bangalore-560066	10.00 am
2009-10	3rd September, 2010	Hotel Woodlands (P) Ltd, Raja Ram Mohan Roy Road, Bangalore-560025	10.00 am
2010-11	2nd September, 2011	Hotel Woodlands (P) Ltd, Raja Ram Mohan Roy Road, Bangalore-560025	10.00 am
2011-12	30th August, 2012	Regd Office: Post Box no:16, Whitefield Road, Whitefield. Bangalore-560066	10.30 am

MEANS OF COMMUNICATION:

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

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

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

GENERAL SHAREHOLDER INFORMATION:

a) **Annual General Meeting:** 30th August,2012 at 10.30 am at Registered office Post Box no:16, White field Road, white field, Bangalore – 560 066.

b) Financial Calendar:

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

c) Date of Book Closure: 27/08/2012 to 29/08/2012 (both days inclusive)

d) Proposed Dividend: 25%

e) Dividend Payment Date: On or before the due date i.e. September 28, 2012.

f) Listing on Stock Exchanges:

i) Bangalore Stock Exchange Limited, Bangalore
ii) Bombay Stock Exchange Limited, Mumbai
iii) Ahmedabad Stock Exchange Limited, Ahmedabad

The listing fees for the year 2011-12 have been paid to the above Stock Exchanges.

Listing of Shares:

Company's shares are listed at:

1. Bangalore Stock Exchange Limited (BgSE)
   Stock Exchange Towers, 51, 1st Cross, J C Road,
   Bangalore-560027
   Scrip Code; 522108
2. Bombay Stock Exchange Limited (BSE)
   Phiroz Jeejeebhoy Towers
   Dalal Street, Mumbai-400 001
   Scrip Code: 522108
3. Ahmedabad Stock Exchange Limited, (ASE)
   Kamadhenu Complex, Panjra Pole
   Ambawadi, Ahmedabad-380015.

Registrar of Share Transfer Agents:

Karvy Computershare Pvt Ltd,
17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad-500 081
Phone: 040 23420815-28

(g) Market Price Data:

• High – Low during each month in the year 2011-12 at Mumbai Stock Exchange is furnished below:

Sl. No.	Month	High	Low
1	April '11	279.00	241.55
2	May '11	268.00	216.00
3	June '11	237.00	212.05
4	July '11	252.00	220.10
5	August '11	243.50	171.90
6	September '11	203.00	180.10
7	October '11	189.40	166.25
8	November '11	179.05	123.50
9	December '11	172.45	110.65
10	January '12	188.85	124.50
11	February '12	195.00	170.00
12	March '12	195.00	156.65

The trading in the other Stock Exchanges was negligible during the year ended 31st March 2012.

(h) Share Transfer System

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

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

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

The Company had no transfer of shares pending as on 31st March 2012.

(i) Distribution Schedule - Consolidated as on 31/03/2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	4550	92.38	520,738	5,207,380	17.36%
5001- 10000	208	4.22	168,523	1,685,230	5.62%
10001-20000	76	1.54	112,516	1,125,160	3.75%
20001- 30000	40	0.81	98,364	983,640	3.28%
30001- 40000	15	0.3	53,432	534,320	1.78%
40001- 50000	8	0.16	36,584	365,840	1.22%
50001- 100000	12	0.24	91,924	919,240	3.06%
100001& Above	16	0.32	1,917,919	19,179,190	63.93%
TOTAL	**4925**	**100 .00**	**3,000,000**	**30,000,000**	**100.00%**

(j) Plant Location / address for correspondence:

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

Address for Communication:
Yuken India Limited,
PB 16, Whitefield Road, Whitefield,
Bangalore-560066
Karnataka, India.
Telephone: 080 28453810, 28452262
Fax: 080 28452261, 28451560
e-mail: yilinfo@yukenindia.com

(k) Shareholding Pattern as on 31st March, 2012:

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	15,76,282	52.54
Mutual Funds / UTI	1,500	0.05
Private Corporate Bodies	1,49,531	4.98
Indian Public	11,85,485	39.52
NRIs/OCBs	87,202	2.91
Grand Total	**30,00,000**	**100.00**

(l) Directors seeking appointment/ re-appointment

As required under Clause 49(IV)(G), particulars of Directors seeking appointment/ re-appointment are given in the Explanatory Statement and Annexure to the Notice of the Annual General Meeting to be held on 30th August, 2012.

STATUS OF COMPLIANCE OF NON MANDATORY REQUIREMENTS:

1. **The Board:**

   No separate office is maintained for Non-Executive Chairman.

   The Board has not specifically determined the maximum tenure for Independent directors. They are liable to retire by rotation as per applicable provisions and if eligible, may be re-appointed at the Annual General Meeting of the Company.

2. **Remuneration Committee:**

   Details are given under the heading 'Remuneration Committee'.

3. **Shareholder rights:**

   The quarterly and annual financial results of the Company are published in leading news papers, Company website and are provided to stock exchanges in compliance with the provisions of the Listing Agreement. The complete annual report is sent to each and every shareholder of the Company.

4. **Audit qualifications:**

   During the year under review, there was no audit qualification in the Company's financial statements.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors are pleased to present the 36th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2012.

FINANCIAL RESULTS

The Financial performance of the Company, for the year ended 31st March 2012 is summarized below.

(Rs in Lakhs)

Particulars	2011-12	2010-11
Total Income	**17,198**	**15,072**
Total Expenditure	14,958	13,088
Profit before Interest, Depreciation & Tax	**2,240**	**1,984**
Finance cost	413	266
Depreciation	288	252
Profit Before Tax	**1,539**	**1,466**
Provision for Taxation(Net of deferred tax)	502	486
Profit After Tax	**1,037**	**980**
Balance in profit and Loss Account	3,451	2,658
Amount available for appropriation	**4,488**	**3,638**
Appropriations:		
General Reserve	104	100
Proposed Dividend	75	75
Tax on Proposed Dividend	12	12
Balance Carried to Balance Sheet	4,297	3,451
Total	**4,488**	**3,638**

REVIEW OF PERFORMANCE

During the year under review, the Company achieved a turnover of Rs17,198 Lakhs compared to Rs 15,072 Lakhs in 2011. The operations of the Company for the year under review have resulted in a net profit of Rs1,037 Lakhs.

DIVIDEND

Your Directors are pleased to recommend a dividend of 25% on the equity shares of the Company for the year ended 31st March 2012, subject to the approval of the members at the ensuing Annual General Meeting.

INDUSTRIAL RELATIONS

Employee relations continue to be cordial. Your Directors would like to place on record their appreciation of the valuable contribution by the workmen representatives in arriving at an amicable wage settlement.

CORPORATE GOVERNANCE

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

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

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1) (b)(iv) of the said act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particular may write to the Compliance Officer at the registered office of the Company.

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

Sl No	Name	Designation	Gross Remuneration (Rs)	Qualification	Age	Date of commencement of employment	Experience (including previous years if any	Last employment held/ designation/ organization
1	C P Rangachar	MD	Rs.85.78 lakhs	BE ,MIE	69	1978.05.01	47	Director-PGI(P) Ltd, Chennai

1. Employment throughout the year under review and were in receipt of remuneration for that year in the aggregate of not less than Rs 60,00,000 or more.
2. Annual remuneration as above includes salary, allowances and perquisites.
3. The above appointment is contractual.

II. Employees of the Company who were employed for part of the financial year and in receipt of remuneration at a rate, which in aggregate was not less than Rs 500,000/- pm -

NIL

DIRECTORS

Under section 256(1) of the Companies Act, 1956, and article 116 of the Articles of the Company, Mr.R Srinivasan and Mr. V Balaji Bhat, Director is liable to retire by rotation at this Annual General Meeting. He is eligible and offers himself for re-appointment. Brief Resume of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and membership, their share holding in the Company are provided in the notice of AGM.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. In the preparation of the accounts for the year ended 31st March 2012, the applicable accounting standards have been followed.
2. Such accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March 2012 and of the profit of the Company for that year.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The accounts for the year ended 31st March 2012 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARY COMPANIES

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Employees are trained in 'First –Aid' regularly. The Company has rain water harvesting systems in place covering the entire Factory premises.

During the year Your Company donated Computers to a Government School at Malur, Kolar District, Karnataka.

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

Health, Safety & Environment. (HSE)

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

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

Awareness workshops on Safety in Industries are being conducted to the employees in collaboration with the Directorate of Factories and Boilers, Government of Karnataka.

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

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

Disclosure of particulars under section 217(1)(e) of the Companies Act, 1956

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

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

1. **Conservation of Energy:**

   The Operations of Your Company are not energy intensive. However, necessary care is being taken to conserve energy by various measures.

2. **Foreign Exchange Earnings and outgo**

   Foreign Exchange Earnings:-

Export sales	Rs.340.75 lakhs
Others	Rs.15.70 lakhs

Expenditure in Foreign Currency on account of (on payment basis)

Interest	Rs.2.18 lakhs
Others	Rs.44.61 lakhs
Brand Fee	Rs.70.45 lakhs

Remittance in Foreign currency on account of:

Dividends	Rs.30.00 lakhs

3. **Research and Development (R&D)**

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

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

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

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

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

(c) Future Plan of action

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

(d) Expenditure on R&D.

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

4. Technology Absorption, Adaptation and Innovation:

(a) Efforts in brief, made towards technology absorption, adaptation and innovation.

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

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

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

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

i Technology imported – **For manufacture of Chip compacting machine**

ii Year of Import: 2011

iii Has technology been fully absorbed? **Yes**

iv If not fully absorbed, areas where this has not taken place, reasons there off and future plans of action: N/A

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, retiring at the ensuing Annual General Meeting, pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

FORWARD-LOOKING STATEMENTS

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

ACKNOWLEDGEMENTS

Your Directors thank the Customers, Vendors, Financial Institutions, Banks, Collaborators, and Investors for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by all the employees of the Company for their performance in the year under review.

For and on behalf of the Board

V. Balaji Bhat	**R. Srinivasan**	**C P Rangachar**
Director	Director	Managing Director

Place : Bangalore
Date: 21st May,2012

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Changing economic and business conditions, rapid technological innovation, proliferation of the internet and globalization are creating an increasingly competitive market environment that is driving Corporations to transform the manner in which they operate.

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

OPPORTUNITIES:

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

We believe our competitive strengths which include leadership in solutions that enable our customers to optimize the efficiency of their business, commitment to superior quality, long standing client relationships and competitive pricing. Some of the key trends in the Industry that are favorable to the Company to exploit these emerging opportunities are,

i) Customers are more comfortable in continuing to partner with us in view of enhanced quality, reduced lead time and competitive prices.

ii) Customers are also demanding delivery excellence from distributed business units using uniform processes globally to deliver a high quality of service.

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

THREATS:

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

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

ii) Our business may suffer if we fail to anticipate and develop new products in a fixed time schedule and enhance the existing products in order to keep pace with rapid changes in technology and in the industries on which we focus. A strong Engineering base is needed to accomplish this.

iii) There is continuing concerns on input cost increases, it may not be possible for the Company to pass on the cost increase through pricing.

iv) Lack of knowledge in handling SAP aided programs may jeopardize timely generation of reports and warranting more investment on up gradation.

v) High inventory and receivables may hamper the process of financial planning.

RISK IDENTIFICATION & MITIGATION

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

The internal control systems are designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. The internal audit function performs internal audit periodically to ascertain their adequacy and effectiveness. The internal audit function also carries out Operations Review Audits to improve the processes and strengthen controls of the existing processes.

FINANCIAL STATEMENTS

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

FINANCIAL OVERVIEW

Rupees in Lakhs

Year ending 31st March	2008	2009	2010	2011	2012
Sales	10,296	9,702	11,422	14,915	17,050
Profit before tax	960	151	1,036	1,466	1,539
Profit before tax to Sales%	9.32	1.55	9.07	9.82	9.03
Profit after tax	612	65	693	980	1,036
Profit after tax to Sales%	5.94	0.67	6.07	6.57	6.08
Return on Capital Employed %	20	8	24	25	21
Return on Net worth%	23	2	21	23	20
Book value per share Rupees	87	89	112	142	174
Earnings per share Rupees	20.42	2.17	23.11	32.68	34.54
Dividend %	25	0	25	25	25

HUMAN RESOURCE MANAGEMENT

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

CAUTIONARY STATEMENT

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

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March,2012 and that to the best of our knowledge and belief,

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or volatile of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the audit committee,

   i) significant changes in internal control during the period;

   ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;

   iii) instances of significant fraud if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

(H M NARASINGA RAO)	**(C P RANGACHAR)**
Chief Financial Officer &	Chief Executive Officer &
VP - Finance	Managing Director.

Place: Bangalore
Date: 21st May, 2012

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF YUKEN INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of YUKEN INDIA LIMITED ("the Company"), its subsidiaries (the Company, its subsidiaries constitute "the Group") as at March 31, 2012 the Statement of Consolidated Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 502.46 lakhs as at March 31, 2012, total revenues of Rs. 403.13 lakhs and net cash inflows amounting to Rs. 0.58 lakhs and associates whose financial statements reflect the group's share of profit net, of Rs. 1.93 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

   (b) The financial statements of a subsidiary, whose financial statements reflect total assets (net) of Rs.219.05 lakhs as at March 31, 2012, total revenues of Rs.479.84 lakhs and net cash inflows amounting to Rs.32.27 lakhs for the year ended on that date, are incorporated in the Consolidated Financial Statements based on management's estimates and are not audited by their auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

(ii) in the case of the Statement of Consolidated Profit and Loss, of the profit of the Group for the year ended on that date and

(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No. 008072S

Place: Bangalore
Date : May 21, 2012

S. Ganesh
Partner
M. No.204108

AUDITORS' REPORT

TO THE MEMBERS OF YUKEN INDIA LIMITED

1. We have audited the attached Balance Sheet of YUKEN INDIA LIMITED ("the Company) as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   - (ii) 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;
   - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
     - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
     - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
     - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directorsis disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No. 008072S

S. Ganesh
Partner
M. No.204108

Place: Bangalore
Date : May 21, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses iii (b) to (d), (f) and (g), v(b), vi, ix(b), xii, xiii xiv, xix, xx of paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified once in two years by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) In our opinion and according to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us the particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

(ix) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

(x) The company is not having any accumulated losses and has not incurred any cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no borrowings from financial institutions and debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained other than temporary deployment pending application.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xv) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No. 008072S

S. Ganesh
Partner
M. No.204108

Place: Bangalore
Date : May 21, 2012

CERTIFICATE

To the Members of Yuken India Limited

We have examined the compliance of conditions of Corporate Governance by Yuken India Limited for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No. 008072S

S. Ganesh
Partner
M. No.204108

Place: Bangalore
Date : May 21, 2012

YUKEN INDIA LIMITED

YUKEN

Balance Sheet as at 31 March, 2012

	Particulars	Note No.	As at 31 March, 2012 Rs in lakhs	As at 31 March, 2011 Rs in lakhs
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	300.00	300.00
	(b) Reserves and surplus	4	4,828.17	3,879.04
			5,128.17	**4,179.04**
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	687.50	1,394.98
	(b) Deferred tax liabilities (net)	31	297.38	194.89
	(c) Other long-term liabilities	6	457.78	389.40
	(d) Long-term provisions	7	118.68	98.11
			1,561.34	**2,077.38**
3	**Current liabilities**			
	(a) Short-term borrowings	8	3,125.91	1,530.92
	(b) Trade payables	9	3,021.41	2,485.04
	(c) Other current liabilities	10	765.95	633.76
	(d) Short-term provisions	11	214.52	163.81
			7,127.79	**4,813.53**
	TOTAL		**13,817.30**	**11,069.95**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12A	5,008.11	2,567.93
	(ii) Intangible assets	12B	74.71	12.29
	(iii) Capital work-in-progress	12	67.18	848.13
			5,150.00	**3,428.35**
	(b) Non-current investments	13	314.94	314.94
	(c) Long-term loans and advances	14	162.67	144.67
	(d) Other non current Asset	15	29.34	26.91
			5,656.95	**3,914.87**
2	**Current assets**			
	(a) Inventories	16	2,147.29	2,160.30
	(b) Trade receivables	17	5,383.79	4,393.68
	(c) Cash and Bank balances	18	194.74	230.27
	(d) Short-term loans and advances	19	432.77	368.84
	(e) Other current assets	20	1.76	1.99
			8,160.35	**7,155.08**
	TOTAL		**13,817.30**	**11,069.95**
	See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S.Ganesh
Partner

For and on behalf of the Board of Directors

V.Balaji Bhat
Director

R.Srinivasan
Director

C.P.Rangachar
Managing Director

H M Narasinga Rao
Chief Financial Officer

Place : Bangalore
Date : 21st May, 2012

YUKEN INDIA LIMITED

YUKEN

Statement of Profit and Loss for the year ended 31 March, 2012

	Particulars	Note No.	For the year ended 31 March, 2012 Rs In Lakhs	For the year ended 31 March, 2011 Rs In Lakhs
1	**Revenue from operations (Gross)**	21	**18,805.24**	**16,451.42**
	Less: Excise duty		1,755.57	1,536.26
	Revenue from operations (Net)		**17,049.67**	**14,915.16**
2	Other Operating Income	21	70.11	64.75
3	Other income	22	77.76	92.31
4	**Total revenue (1+2+3)**		**17,197.54**	**15,072.22**
5	**Expenses**			
	(a) Cost of materials consumed	23 a	8,660.76	7,439.81
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23 b	6.07	(176.69)
	(c) Employee benefits expense	24	2,318.80	2,108.01
	(d) Finance costs	25	413.05	266.18
	(e) Depreciation and amortisation expense	12	288.20	252.10
	(f) Other expenses	26	3,971.87	3,716.67
	Total expenses		**15,658.75**	**13,606.08**
6	**Profit before tax (4 - 5)**		**1,538.79**	**1,466.14**
7	**Tax expense:**			
	(a) Current tax expense		400.00	450.00
	(b) Deferred tax		102.48	35.82
			502.48	**485.82**
8	**Profit for the year (6 - 7)**		**1,036.31**	**980.32**
9	**Earnings per share (of Rs.10/- each):**			
	Basic and Diluted	30	**34.54**	**32.68**
	See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
Partner

V.Balaji Bhat
Director

R.Srinivasan
Director

C.P.Rangachar
Managing Director

H M Narasinga Rao
Chief Financial Officer

Place : Bangalore
Date :21st May, 2012

YUKEN INDIA LIMITED

YUKEN

Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		1,538.79		1,466.14
Adjustments for:				
Depreciation and amortisation	288.20		252.10	
(Profit) / loss on sale of assets	23.60		1.37	
Finance costs	413.05		266.18	
Interest income	(39.50)		(25.84)	
Dividend income	(18.06)		(18.06)	
Liabilities / provisions no longer required written back	(0.91)		(27.99)	
Provision for doubtful trade and other receivables (Net)	22.97		10.34	
Bad trade and other receivables written off	31.16		37.43	
Net unrealised exchange (gain) / loss	13.21	733.72	(0.05)	495.48
Operating profit / (loss) before working capital changes		**2,272.51**		**1,961.62**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	13.01		(512.05)	
Trade receivables	(1,037.13)		(813.28)	
Short-term loans and advances	(111.68)		90.70	
Other non current assets	(2.43)		(1.51)	
Long-term loans and advances	(38.19)		(4.09)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	535.07		225.59	
Other current liabilities	122.10		(44.54)	
Other long-term liabilities	68.38		90.79	
Short-term provisions	13.38		14.95	
Long-term provisions	20.58	(416.91)	12.57	(940.87)
Cash generated from operations		**1,855.60**		**1,020.75**
Net income tax (paid) / refunds		(314.91)		(507.65)
Net cash flow from / (used in) operating activities (A)		**1,540.69**		**513.10**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advance		(2,020.42)		(1,366.66)
Proceeds from sale of fixed assets		7.17		36.69
Investment in equity shares of Hycom Engg (I) P Ltd		-		(94.13)
Interest Income received		39.73		24.64
Dividend received				
- Associates	18.00		18.00	
- Others	0.06	18.06	0.06	18.06
Net cash flow from / (used in) investing activities (B)		**(1,955.46)**		**(1,381.40)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	250.00		1,460.35	
Repayment of long-term borrowings	(960.35)		-	
Net increase / (decrease) in working capital borrowings	1,037.35		(59.95)	
Proceeds from other short-term borrowings	643.54		1,591.49	
Repayment of other short-term borrowings	(72.89)		(1,857.78)	
Finance cost	(418.70)		(260.11)	
Dividends paid	(74.39)		(74.42)	
Tax on dividend	(12.17)		(12.46)	
Net cash flow from / (used in) financing activities (C)		**392.39**		**787.12**
Net increase / (decrease) in Cash and Bank balances (A+B+C)		**(22.38)**		**(81.18)**
Cash and Bank Balances at the beginning of the year		230.27		300.82
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer Note 18)		3.59		1.02
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(13.15)		10.63
Cash and cash equivalents at the end of the year		**191.15**		**229.25**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 18)		191.15		229.25

Notes:

(i) Earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S.Ganesh
Partner

For and on behalf of the Board of Directors

V.Balaji Bhat
Director

R.Srinivasan
Director

C.P.Rangachar
Managing Director

Place : Bangalore
Date : 21st May, 2012

H M Narasinga Rao
Chief Financial Officer

Notes forming part of the financial statements
Particulars

1.00 Corporate Information

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

2.00 BASIS OF ACCOUNTING

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

2.01 Use of estimates

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

2.02 <u>INVENTORIES</u>

Inventories are valued as follows

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

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

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

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

2.04 Cash flow statement

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

Notes forming part of the financial statements

2.05 Depreciation / Amortisation

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

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

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

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

2.06 Revenue recognition

Sale of goods

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

Income from services

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

2.07 Other income

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

2.08 Tangible fixed assets

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

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

2.09 Capital work-in-progress:

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

2.10 Intangible assets

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

Notes forming part of the financial statements

2.11 Foreign currency transactions and translations

Transactions in Foreign Currency are accounted at exchange rates prevailing on the date of Transaction. Monetary items denominated in foreign currency and forward exchange contracts outstanding as at the end of the year are re-stated at year end rates. The loss or gain arising on restatement / settlement is adjusted to the Profit and Loss account.
In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Non monetary foreign currency items are carried at cost.

2.12 Investments

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

2.13 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences.

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

Notes forming part of the financial statements

2.14 Borrowing costs

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

2.15 Leases

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

2.16 Earnings per share

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

2.17 Taxes on income

Current Tax :

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

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

Deferred Tax :

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

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

2.18 Impairment of assets

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

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

2.19 Provisions and contingencies

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

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rs in lakhs	Number of shares	Rs in lakhs
(a) Authorised				
Equity shares of Rs.10/- each with voting rights	6,000,000	600.00	6,000,000	600.00
(b) Issued,Subscribed and fully paid up				
Equity shares of Rs.10/- each with voting rights	3,000,000	300.00	3,000,000	300.00
Total	**3,000,000**	**300.00**	**3,000,000**	**300.00**

Notes:

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

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights (Issued,Subscribed and fully paid up)		
Year ended 31 March, 2012		
- Number of shares	3,000,000	3,000,000
- Amount (Rs In Lakhs)	300	300
Year ended 31 March, 2011		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300	300

Notes:

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

Class of shares / Name of shareholder	As at 31 March, 2012	As at 31 March, 2011
	Number of shares held	Number of shares held
Equity shares with voting rights		
Yuken Kogyo Co Ltd	1,200,000	1,200,000
Benefic Investments & Finance Co P Ltd	347,952	347,952

Note 4 Reserves and surplus **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) General reserve		
Opening balance	427.58	327.58
Add: Transferred from surplus in Statement of Profit and Loss	104.00	100.00
Closing balance	**531.58**	**427.58**
(b) Surplus in Statement of Profit and Loss		
Opening balance	3,451.45	2,658.31
Add: Profit for the year	1,036.31	980.32
Less: Dividends proposed to be distributed to equity shareholders (Rs.2.50/-per share)	75.00	75.00
Tax on dividend	12.17	12.17
Transferred to:		
General reserve	104.00	100.00
Closing balance	**4,296.59**	**3,451.46**
Total	**4,828.17**	**3,879.04**

Notes forming part of the financial statements

Note 5 Long-term borrowings — Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Term loans		
From banks (Refer Note (i) below)		
Secured	687.50	1,237.50
Unsecured	-	157.48
Total	**687.50**	**1,394.98**

(i)Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31 March, 2012		As at 31 March, 2011	
		Secured	Unsecured	Secured	Unsecured
(a) Term loans from banks:					
	Interest rate : 10.15%. Repayment (8 equal quarterly installments of Rs.62.50/- Lakhs each commencing from the quarter ending Mar'12.)	187.50	-	437.50	-
	Interest rate : 10.15% Repayment (8 equal quarterly installments of Rs.62.50/- Lakhs each commencing from FY 2013-2014) Security: Hypothecation of company's movable fixed assets acquired out of this loan at Malur foundry plant.	500.00	-	-	-
	Interest rate : LIBOR + 1.8% Repayment Terms : Due on 12.09.2012	-	-	-	157.48
	Interest rate : 13.5% Original Repayment Terms : 8 equal quarterly installments of Rs. 100/- Lakhs each commencing from the FY 2012-2013. Security:Extension of Charge on the current assets and first chare on unencumbered fixed assets. Conversion: Above term loan was converted to FCNRB loan on 18.11.2011. (Refer note-8 -short term loans)	-	-	800.00	-
Total - Term loans from banks		**687.50**	**-**	**1,237.50**	**157.48**

(ii) For the current maturities of long-term borrowings, refer item (a) in Note 10 Other current liabilities.

Note 6 Other long-term liabilities — Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Payable on Purchase of Fixed Assets	10.18	-
(b) Trade / Security Deposits received	412.99	355.84
(c) Other Deposits	34.61	33.56
Total	**457.78**	**389.40**

Note 7 Long-term provisions — Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
'(i) Provision for compensated absences	118.68	98.11
Total	**118.68**	**98.11**

Notes forming part of the financial statements

Note 8 Short-term borrowings

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) below)	1,068.28	30.92
Unsecured	1,000.00	500.00
	2,068.28	530.92
(b) Other short term loans		
From banks		
Secured (Refer Note (i) below)	1,057.63	1,000.00
	3,125.91	**1,530.92**

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand from banks:			
	Hypothecation of Inventory and receivables. first charge on unencumbered fixed assets.	1,068.28	30.92
Total - from banks		**1,068.28**	**30.92**
Other short term loans from banks:			
	Extension of Charge on the current assets and first charge on unencumbered fixed assets.	927.11	1,000.00
	Hypothecation of Inventory and receivables. first charge on unencumbered fixed assets.	130.52	-
Total - Other short term loans		**1,057.63**	**1,000.00**

Note 9 Trade payables

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables:		
(i) Acceptances	76.81	51.68
(ii)'Other than Acceptances	2,944.60	2,433.36
Refer Note no 27.2 for disclosure under section 22 of MSMED Act 2006.		
Total	**3,021.41**	**2,485.04**

Note 10 Other current liabilities

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Current maturities of long-term debt (Refer Note (i) below)	437.31	372.86
(b) Interest accrued but not due on borrowings	0.28	0.22
(c) Interest accrued and due on borrowings	8.14	13.86
(d) Unpaid dividends	8.44	7.83
(e) Provision for gratuity (net) (Refer Note No 28)	8.06	16.09
(f) Other payables		
(i) Statutory remittances	131.93	109.46
(ii) Payable on Purchase of Fixed Assets	38.51	-
(iii) Advances from customers	94.17	102.26
(iv) Interest accrued on trade payables (Refer Note no 27.2)	5.44	1.44
(v) Others	33.67	9.74
Total	**765.95**	**633.76**

Notes forming part of the financial statements

Note (i): Current maturities of long-term debt (Refer Note 5 - Long-term borrowings for details of security and guarantee):

Particulars	As at 31 March, 2012	As at 31 March, 2011
Term loans		
From banks	437.31	362.50
From Others	-	10.36
Total	**437.31**	**372.86**

Note 11 Short-term provisions

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
(i) Current portion of Provision for compensated absences (Refer Note 28)	21.41	23.08
(ii) Provision for superannuation (Refer Note No 28)	68.46	53.41
	89.87	76.49
(b) Provision - Others:		
(i) Provision for Income tax Rs.2915.95 less advance tax Rs.2,878.62	37.33	-
(ii) Provision for fringe benefit tax Rs.120 lakhs,less advance tax of Rs.119.85 Lakhs	0.15	0.15
(iii) Provision for proposed equity dividend	75.00	75.00
(iv) Provision for tax on proposed dividends	12.17	12.17
	124.65	87.32
Total	**214.52**	**163.81**

NOTES FORMINING PART OF THE BALANCE SHEET

Note 12: Fixed assets

Rs in lakhs

DESCRIPTION	GROSS BLOCK - COST				ACCUMALATED DEPRECIATION / AMORTISATION				NET BLOCK	
	Balance as at 01.04.2011	Additions	Deductions /Adjustments	Balance as at 31.03.2012	Balance as at 01.04.2011	Depreciation/ Amortisation Expense for the year	Deductions / Adjustments	Balance as at 31.03.2012	Balance as at 31.03.2012	Balance as at 31.03.2011
Tangible Assets (A)										
Freehold Land	267.23	-	-	267.23	-	-	-	-	267.23	267.23
Buildings	743.90	912.00	-	1,655.90	179.60	23.39	-	202.99	1,452.91	564.30
Plant Machinery & Equipment	2,249.66	1,455.52	26.95	3,678.23	1,099.56	148.24	5.59	1,242.21	2,436.02	1,150.10
Electrical Installation	121.04	236.24	-	357.28	40.88	7.29	-	48.17	309.11	80.16
Furniture / Fixtures	108.50	5.06	2.17	111.39	47.24	7.08	0.93	53.39	58.00	61.26
Office Equipments	427.35	100.13	1.58	525.90	203.67	55.44	0.90	258.21	267.69	223.68
Jigs / Fixtures	301.00	37.92	-	338.92	185.04	25.53	-	210.57	128.35	115.96
Motor Vehicles	179.67	7.31	17.33	169.65	74.42	16.28	9.85	80.85	88.80	105.25
Total (A)	**4,398.35**	**2,754.18**	**48.03**	**7,104.50**	**1,830.41**	**283.25**	**17.27**	**2,096.39**	**5,008.11**	**2,567.94**
Previous Year	4,131.24	488.69	221.58	4,398.35	1,774.30	239.63	183.52	1,830.41	2,567.94	
Intangible Assets (B)										
Software	88.98	46.91	-	135.89	76.69	4.91	-	81.60	54.29	12.29
Technical Fee	33.34	20.46	-	53.80	33.34	0.04	-	33.38	20.42	-
Total (B)	**122.32**	**67.37**	**-**	**189.69**	**110.03**	**4.95**	**-**	**114.98**	**74.71**	**12.29**
Previous Year	122.31	-	-	**122.31**	97.56	12.47	-	110.03	12.28	
Total (A) +(B)	**4,520.67**	**2,821.55**	**48.03**	**7,294.19**	**1,940.44**	**288.20**	**17.27**	**2,211.37**	**5,082.82**	**2,580.23**
Capital Work in Progress									**67.18**	**848.13**
Total									**5,150.00**	**3,428.36**

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Notes forming part of the financial statements

Note 13 Non-current investments Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Unquoted	Unquoted
Investments (At cost)- :		
A. Trade		
a) Investment in equity investments of subsidiaries		
1,000,000 (As at 31.03.2011 : 1,000,000) Fully paid equity shares of Rs.10/- each of Yuflow Engineering Pvt Ltd.	160.20	160.20
480,000 (As at 31.03.2011 : 480,000) Fully paid equity shares of Rs.10/- each of Coretec Engineering India Pvt Ltd.	12.00	12.00
2,250 (As at 31.03.2011 : 2,250) Fully paid equity shares of Rs.100/-each of Prism Hydraulics Pvt. Ltd	24.41	24.41
	196.61	196.61
b) Investment in equity investments of Associates		
360,000 (As at 31.03.2011 : 360,000) Fully paid equity shares of Rs 10/- each of Sai India Ltd	20.00	20.00
	20.00	20.00
c) Investment in equity investments of others		
941,330 (As at 31.03.2011 : 941,330) Fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Private Limited	94.13	94.13
	94.13	94.13
Total - Trade (A)	**310.74**	**310.74**
B. Other investments		
a) Investment in equity investments of Associates		
37,000 (As at 31.03.2011 : 37,000) Fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd	3.70	3.70
	3.70	3.70
b) Investment in equity investments of others		
2,000 (As at 31.03.2011 : 2,000) Fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd	0.50	0.50
	0.50	0.50
Total - Other investments (B)	**4.20**	**4.20**
Total (A+B)	**314.94**	**314.94**
Aggregate amount of unquoted investments	314.94	314.94

Note 14 Long-term loans and advances Rs in lakhs

Unsecured, considered good

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Capital advances	68.17	88.36
(b) Security deposits	90.86	49.23
(c) Loans and advances to employees	1.25	4.90
(d) Prepaid expenses	0.98	0.77
(e) Other loans and advances	1.41	1.41
Total	**162.67**	**144.67**

Note 15 Other non-current assets Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Long-term trade receivables (including trade receivables on deferred credit terms)		
Unsecured, considered good	29.01	25.40
(b) Others		
Balance held in margin money account	0.33	1.51
	29.34	**26.91**

Notes forming part of the financial statements

Note 16 Inventories

(At lower of cost and net realisable value) Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Raw materials	1,271.08	1,265.89
Raw materials in Transit	5.53	34.48
(b) Work-in-progress	485.35	515.48
(c) Finished goods (other than those acquired for trading)	323.65	287.13
(d) Loose tools	61.68	57.32
Total	**2,147.29**	**2,160.30**

Note 17 Trade receivables Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	410.70	385.93
Doubtful	77.47	65.87
	488.17	451.80
Less: Provision for doubtful trade receivables	77.47	65.87
	410.70	**385.93**
Other Trade receivables		
Unsecured, considered good	4,973.09	4,007.75
Doubtful	6.07	-
	4,979.16	4,007.75
Less: Provision for doubtful trade receivables	6.07	-
	4,973.09	**4,007.75**
Total	**5,383.79**	**4,393.68**

Note 18 Cash and Bank balances Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash And Cash Equivalants		
(a) Cash on hand	2.61	2.32
(b) Cheques on hand	-	31.86
(c) Balances with banks		
(i) In current accounts	23.85	112.52
(ii) In EEFC accounts	44.85	18.53
(iii) In earmarked accounts		
- Unpaid dividend accounts	8.44	7.83
- Balances held as margin money or security against borrowings, guarantees and other commitments	111.40	56.19
Sub total	**191.15**	**229.25**
Other Bank Balances		
- Balances held as margin money or security against borrowings, guarantees and other commitments.	3.59	1.02
Sub total	**3.59**	**1.02**
Total	**194.74**	**230.27**

Notes:

(i) Balances with banks include margin monies amounting to Rs. 6.91 Lakhs (As at 31 March, 2011 Rs.13.08 Lakhs) which have an original maturity of more than 12 months.

Notes forming part of the financial statements

Note 19 Short-term loans and advances

Unsecured, considered good Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Security deposits	13.09	12.15
(b) Loans and advances to employees	12.82	13.18
(c) Prepaid expenses	72.66	52.26
(d) Balances with government authorities		
(i) CENVAT credit receivable	137.84	34.94
(ii) VAT credit receivable	7.34	8.24
(iii) Service Tax credit receivable	34.16	29.79
	179.34	**72.97**
(e) Advance income tax - (As at 31 March,2011: Rs.2,563.70 lakhs, Less Provision Rs. 2515.95 Lakhs)	-	47.75
(e) Others	154.86	170.53
	432.77	**368.84**

Note 20 Other current assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest accrued on deposits	1.76	1.99
Total	**1.76**	**1.99**

Note 21 Revenue from operations Rs in lakhs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Sale of products (Refer Note (i) below)	18,805.24	16,451.42
Less:		
(b) Excise duty	1,755.57	1,536.26
	17,049.67	14,915.16
(c)Other Operating Income		
Training and other services rendered	70.11	64.75
Total	**17,119.78**	**14,979.91**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Sale of products comprises :		
Manufactured goods		
Hydraulic Pump, Valves etc	12,449.97	11,641.64
Hydraulic Systems	5,208.61	4,204.61
Cast Iron castings	1,099.60	599.39
Traded goods	47.06	5.78
Total - Sale of products	**18,805.24**	**16,451.42**

Note 22 Other income Rs in lakhs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Interest income	39.50	25.84
(b) Dividend income:		
from long-term investments		
associates	18.00	18.00
others	0.06	0.06
(c)Other non-operating income	20.20	48.41
Total	**77.76**	**92.31**

Notes forming part of the financial statements

Note 23.a Cost of materials consumed Rs in lakhs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Opening stock	1,323.20	1,001.23
Add: Purchases	8,670.32	7,761.78
	9,993.52	8,763.01
Less: Closing stock	1,332.76	1,323.20
Cost of material consumed	8,660.76	7,439.81
Material consumed comprises:		
Steel	319.97	287.67
Castings	789.82	677.02
Others (Numerous to list)	7,550.97	6,475.12
Total	**8,660.76**	**7,439.81**

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

Note 23.b Changes in inventories of finished goods, work-in-progress and stock-in-trade **Rs in lakhs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Inventories at the end of the year:		
Finished goods	266.30	242.24
Work-in-progress (Refer note below)	485.35	515.48
	751.65	**757.72**
Inventories at the beginning of the year:		
Finished goods	242.24	200.53
Work-in-progress	515.48	380.50
	757.72	**581.03**
Net (increase) / decrease	**6.07**	**(176.69)**

Note: Details of inventory of work-in-progress

Particulars	As at 31 March, 2012	As at 31 March, 2011
Hydraulic Elements	312.05	349.17
Hydraulic Power Units	29.43	44.63
Cast Iron Castings And Alloyed Iron Castings	30.65	47.05
Gear Pumps	113.22	74.63
	485.35	**515.48**

Note 24 Employee benefits expense **Rs in lakhs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages	2,031.68	1,824.43
Contributions to provident and other funds(Refer Note 28)	181.57	194.86
Staff welfare expenses	105.55	88.72
Total	**2,318.80**	**2,108.01**

Notes forming part of the financial statements

Note 25 Finance costs — **Rs in lakhs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Interest expense on:		
(a) Borrowings	370.46	237.31
(b) Dealers Deposits and others	26.26	14.10
(c) Other borrowing costs	2.93	8.47
(d) Net (gain) / loss on foreign currency transactions and translation	13.40	6.30
Total	**413.05**	**266.18**

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Note 26 Other expenses — **Rs in lakhs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Consumption of stores and spare parts	267.07	201.28
Consumption of packing materials	207.61	185.68
Increase / (decrease) of excise duty on inventory	12.47	8.91
Subcontracting	1,198.21	1,166.96
Power and fuel	319.57	278.08
Rent including lease rentals (Refer Note 32)	91.22	94.85
Repairs and maintenance - Buildings	61.12	61.74
Repairs and maintenance - Machinery	138.36	122.80
Repairs and maintenance - Others	5.50	10.54
Vehicle maintenance	63.50	59.71
Insurance	11.31	11.05
Rates and taxes	36.38	41.00
Travelling and conveyance	289.16	285.50
Freight and forwarding	201.43	197.91
Donations and contributions	3.42	0.89
Legal and professional	215.07	208.39
Payments to auditors (Refer Note (i) below)	18.80	14.11
Bad trade and other receivables written off	31.16	37.43
Net loss on foreign currency transactions and translation	55.56	28.97
Loss on fixed assets sold	23.60	1.37
Provision for doubtful trade and other receivables (net) (Note: Rs.5.31 Lakhs released for bad debts.)	22.97	10.34
Miscellaneous expenses	698.38	689.16
Total	**3,971.87**	**3,716.67**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	6.50	6.50
For taxation matters	5.50	3.00
For company law matters	3.50	0.50
For other services	2.50	2.50
Reimbursement of expenses	0.80	1.61
Total	**18.80**	**14.11**

Note: Payment to Auditors of Rs.2.00 lakhs is being reiumbursed by Yuken Kogyo Co Ltd, Japan, not included above.

Notes forming part of the financial statements

Note 27 Additional information to the financial statements

	Particulars	As at 31 March, 2012	As at 31 March, 2011
		Rs In lakhs	Rs In lakhs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	**Contingent liabilities**		
	(a) Corporate Guarantee on behalf of Subsidiary Company given by the Company.	359.00	350.00
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	174.06	201.40

27.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs In lakhs	Rs In lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	137.64	115.07
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.00	0.73
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	4.00	0.73
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	5.43	1.43
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

27.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March, 2012	Maximum balance outstanding during the year
		Nil	NIL

Note: Figures in bracket relate to the previous year.

27.4 Details on derivatives instruments and unhedged foreign currency exposures

(a) Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2012

In lakhs

Currency	Amount	Buy / Sell	Cross currency
USD	18.20	Buy	966.97
	(Nil)	Buy	(Nil)

Note: Figures in brackets relate to the previous year

Notes forming part of the financial statements

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

	As at 31 March, 2012		As at 31 March, 2011	
	Receivable Rs. In lakhs	**Receivable in Foreign currency**	**Receivable Rs. In lakhs**	**Receivable in Foreign currency**
Debtors against Export of Goods				
	87.20	USD 207,775	53.15	USD 121,573
	54.73	EURO 80,619	13.51	EURO 21,417
	0.27	GBP 443	4.46	GBP 6,227
	20.84	JPY 3,391,440	3.65	JPY 667,200
	Payable Rs. In lakhs	**Payable in Foreign currency**	**Payable Rs. In lakhs**	**Payable in Foreign currency**
Creditors against Import of goods and services				
	608.20	USD 1,207,777	480.16	USD1,072,031
	13.79	EURO 20,310	6.07	EURO 9621
Un secured Loan- Mizuho Buyers Credit				
	169.51	Euro 249,691	157.48	Euro 249,691
Un secured Loan- SBI -Buyers Credit				
	80.15	JPY 13,042,500	Nil	Nil
	50.37	USD 98,885	Nil	Nil
Interest on Un Secured Loan				
	0.27	EURO 406.19	0.22	EURO 345

27.5	**Value of imports calculated on CIF basis :**	**For the year ended 31 March, 2012**	**For the year ended 31 March, 2011**
		Rs in lakhs	**Rs in lakhs**
	Raw materials	2,038.62	1,936.82
	Capital Goods	381.46	260.49
	Total	**2,420.08**	**2,197.31**

27.6	**Expenditure in foreign currency :**	**For the year ended 31 March, 2012**	**For the year ended 31 March, 2011**
		Rs in lakhs	**Rs in lakhs**
	Brand Fee	70.45	67.52
	Interest	2.18	0.50
	Other matters	44.61	71.91

27.7	**Details of consumption of imported and indigenous items**	**For the year ended 31 March, 2012**	
		Rs in lakhs	**%**
	Imported		
	Raw materials	2,027.63	22.44
		(1,904.93)	(25.20)
	Sub Total	2,027.63	22.44
		(1,904.93)	(25.20)
	Indigenous		
	Raw materials	6,742.06	74.61
		(5,452.42)	(72.14)
	Consumable Stores & Spares	267.07	2.96
		(201.28)	(2.66)
	Sub Total	7,009.13	77.56
		(5,653.70)	(74.80)
	Total	**9,036.76**	**100.00**
		(7,558.63)	(100.00)

Notes forming part of the financial statements

27.8	Earnings in foreign exchange :	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rs in lakhs	Rs in lakhs
	Export of goods calculated on FOB basis	340.75	107.92
	Other income- Hydraulic Training Services	8.00	6.66
	Other Income	7.70	-

27.9	Amounts remitted in foreign currency during the year on account of dividend	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rs in lakhs	Rs in lakhs
	Amount of dividend remitted in foreign currency	30.00	30.00
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1.00	1.00
	Total number of shares held by them on which dividend was due	1,200,000.00	1,200,000.00
	Year to which the dividend relates	2010-2011	2009-2010

27.10	The Company had entered into an arrangement during FY2010-11 for services with a Private Limited Company in which a Director is interested and paid an advance of Rs.393,116/-. The Company has applied for requisite approval under section 297 of the Companies Act, 1956 to the appropriate Authority, Approval is awaited.

Note 28 Disclosures under Accounting Standards

Employee benefit plans

28.1 **Defined contribution plans**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.87.34 lakhs (Year ended 31 March, 2011 Rs.78.03 lakhs) for Provident Fund contributions and Rs.69.66 lakhs (Year ended 31 March, 2011 Rs. 56.99 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

28.2 **Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:
(i) Gratuity
(ii) long-term compensated absences
The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Rs in lakhs

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
	Gratuity	Gratuity
Components of employer expense		
Current service cost	15.33	10.56
Interest cost	13.58	10.14
Expected return on plan assets	(10.97)	(8.05)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	38.67
Actuarial losses/(gains)	2.57	4.11
Total expense recognised in the Statement of Profit and Loss	**20.51**	**55.43**
Actual contribution and benefit payments for year		
Actual benefit payments	14.42	5.11
Actual contributions	28.54	60.97
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(184.88)	(176.37)
Fair value of plan assets	176.82	160.28
Funded status [Surplus / (Deficit)]	(8.06)	(16.09)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(8.06)**	**(16.09)**

Notes forming part of the financial statements

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	176.37	120.12
Current service cost	15.33	10.56
Interest cost	13.58	10.14
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	(5.98)	1.99
Past service cost	-	38.67
Benefits paid	(14.42)	(5.11)
Present value of DBO at the end of the year	**184.87**	**176.36**
Change in fair value of assets during the year		
Plan assets at beginning of the year	160.28	98.49
Acquisition adjustment		
Expected return on plan assets	10.97	8.05
Actual company contributions	28.54	60.97
Actuarial gain / (loss)	(8.55)	(2.12)
Benefits paid	(14.42)	(5.11)
Plan assets at the end of the year	**176.82**	**160.27**
Actual return on plan assets		
Composition of the plan assets is as follows:		
Government bonds	-	38%
PSU bonds	-	0%
Special Deposit scheme	-	38%
Others- Insurer Managed Fund	100%	24%
Actuarial assumptions		
Discount rate	8.55%	8.10%
Expected return on plan assets	7.50%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%
Medical cost inflation	-	-
Mortality tables	-	-
Performance percentage considered	-	-
Estimate of amount of contribution in the immediate next year	20.00	20.00

Experience adjustments	Values for the Period				
	31.03.2012	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Gratuity					
Present value of DBO	184.88	176.37	120.11	117.62	151.08
Fair value of plan assets	176.82	160.28	98.49	110.56	129.68
Funded status [Surplus / (Deficit)]	(8.06)	(16.09)	(21.62)	(7.06)	(21.40)
Experience gain / (loss) adjustments on plan liabilities	1.04	1.30	48.62	(12.30)	1.60
Experience gain / (loss) adjustments on plan assets	(8.55)	(2.12)	0.29	(12.48)	1.41

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Actuarial assumptions for long-term compensated absences		
Discount rate	8.55%	8.10%
Expected return on plan assets	7.50%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

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

Leave Encashment	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Change in the profit & loss Statement	38.22	35.25
Amount paid during the year	19.31	19.72
Liability as at the year end	140.09	121.18

Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards

Related party transactions

Details of related parties:

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

Rs in lakhs

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entity having significant influence	Total
Purchase of fixed assets						
Coretec Engineering India Pvt Ltd	24.96	-	-	-	-	24.96
	(22.96)	-	-	-	-	(22.96)
Yuflow Engineering Pvt Ltd	6.82	-	-	-	-	6.82
	(22.83)	-	-	-	-	(22.83)
Prism Hydraulics Pvt Ltd	-	-	-	-	-	-
	(0.08)	-	-	-	-	(0.08)
Yuken Kogyo Co Ltd	-	-	-	-	181.22	181.22
	-	-	-	-	-	-
Purchase of goods & services received						-
Coretec Engineering India Pvt Ltd	716.09	-	-	-	-	716.09
	(714.75)	-	-	-	-	(714.75)
Yuflow Engineering Pvt Ltd	661.19	-	-	-	-	661.19
	(712.47)	-	-	-	-	(712.47)
Prism Hydraulics Pvt Ltd	11.74	-	-	-	-	11.74
	(18.31)	-	-	-	-	(18.31)
Yuken Kogyo Co Ltd	-	-	-	-	995.72	995.72
	-	-	-	-	(1,212.51)	(1,212.51)
Sai India Ltd	-	159.37	-	-	-	159.37
	-	(30.44)	-	-	-	(30.44)
Bourton consulting (India) Pvt Ltd	-	9.96	-	-	-	9.96
	-	(3.93)	-	-	-	(3.93)
Sale of fixed assets						-
Yuflow Engineering Pvt Ltd	1.03	-	-	-	-	1.03
	(0.21)	-	-	-	-	(0.21)
Sale of Capital Work in Progress						-
Coretec Engineering India Pvt Ltd	-	-	-	-	-	-
	(4.82)	-	-	-	-	(4.82)
Sale of Goods & Services rendered						-
Coretec Engineering India Pvt Ltd	43.16	-	-	-	-	43.16
	(28.72)	-	-	-	-	(28.72)
Yuflow Engineering Pvt Ltd	1.00	-	-	-	-	1.00
	(4.48)	-	-	-	-	(4.48)
Yuken Kogyo Co Ltd	-	-	-	-	41.58	41.58
	-	-	-	-	(17.81)	(17.81)
Sai India Ltd	-	24.22	-	-	-	24.22
	-	(26.91)	-	-	-	(26.91)
Advance towards purchase of Goods and Services						-
Coretec Engineering India Pvt Ltd	-	-	-	-	-	-
	(84.27)	-	-	-	-	(84.27)
Yuflow Engineering Pvt Ltd	-	-	-	-	-	-
	(143.23)	-	-	-	-	(143.23)
Bourton consulting (India) Pvt Ltd	-	3.93	-	-	-	3.93
	-	(3.93)	-	-	-	(3.93)
Directors Remuneration						-
Mr. C P Rangachar	-	-	85.78	-	-	85.78
	-	-	(80.53)	-	-	(80.53)
Mr. S Yamanoi	-	-	23.94	-	-	23.94
	-	-	(23.77)	-	-	(23.77)
Payment towards Expenses @						-
Mrs. Vidya Rangachar	-	-	-	1.80	-	1.80
	-	-	-	(1.80)	-	(1.80)

Notes forming part of the financial statements

Rs in lakhs

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012

Particulars	Subsidiaries	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Amount Outstanding (Receivables)						-
Coretec Engineering India Pvt Ltd	71.70	-	-	-	-	71.70
	(76.41)	-	-	-	-	(76.41)
Yuflow Engineering Pvt Ltd	52.21	-	-	-	-	52.21
	(4.27)	-	-	-	-	(4.27)
Prism Hydraulics Pvt Ltd	16.75	-	-	-	-	16.75
	(23.39)	-	-	-	-	(23.39)
Yuken Kogyo Co Ltd	-	-	-	-	45.27	45.27
	-	-	-	-	(6.20)	(6.20)
Sai India Ltd	-	8.14	-	-	-	8.14
	-	(7.02)	-	-	-	(7.02)
Bourton consulting (India) Pvt Ltd	-	-	-	-	-	-
	-	(8.26)	-	-	-	(8.26)
Amount oustanding (Payables)						
Coretec Engineering India Pvt Ltd	61.58	-	-	-	-	61.58
	(4.97)	-	-	-	-	(4.97)
Yuflow Engineering Pvt Ltd	-	-	-	-	-	-
	(1.96)	-	-	-	-	(1.96)
Prism Hydraulics Pvt Ltd	5.11	-	-	-	-	5.11
	-	-	-	-	-	-
Yuken Kogyo Co Ltd	-	-	-	-	397.25	397.25
	-	-	-	-	(459.52)	(459.52)
Sai India Ltd	-	24.35	-	-	-	24.35
	-	(1.47)	-	-	-	(1.47)
Directors Remuneration						-
Mr C P Rangachar	-	-	15.03	-	-	15.03
	(-)	-	(23.64)	-	-	(23.64)
Mr S Yamanoi	-	-	2.79	-	-	2.79
	(-)	-	(0.71)	-	-	(0.71)

Note:

@ Payment made to relative of Key Management Personnel

a) The related party relationships are as identified by the Company, on the basis of information available with the company and relied upon by the auditors.

b) The above transactions are compiled from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.

c) No amounts in respect of the related parties have been written off / back or provided for during the year.

d) Figures in bracket relates to the previous year.

Notes forming part of the financial statements

Note Disclosures under Accounting Standards **Rs in lakhs**

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
30	**Earnings per share**		
	Basic and Diluted		
	Net profit for the year from Operations	1,036.31	980.32
	Less: Preference dividend and tax thereon	-	-
	Net profit for the year from Operations attributable to the equity shareholders	1,036.31	980.32
	Weighted average number of equity shares	30.00	30.00
	Par value per share	10.00	10.00
	Earnings per share from Operations - Basic and Diluted	34.54	32.68

Rs in lakhs

	Particulars	As at 31 March, 2012	As at 31 March, 2011
31	**Deferred tax (liability) / asset**		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	372.55	277.69
	Tax effect of items constituting deferred tax liability	372.55	277.69
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences, gratuity and other employee benefits	48.07	45.60
	Provision for doubtful debts / advances	27.10	21.88
	Others (Voluntary retirement scheme)	-	15.31
	Tax effect of items constituting deferred tax assets	75.17	82.80
	Net deferred tax (liability) / asset	**297.38**	**194.89**

32	The company has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the statement of profit and loss account for the year against these agreements is Rs. 80.16 Lakhs (Rs.61.60 Lakhs) which has been grouped under 'Rent' under note 26.There are no contingent rents payable.
33	**Segment reporting** The company's predominant risks and returns are from the segment of Motion, Control & power transmission business, which constituted over 95% of the company's revenues for the reporting period. Thus the segment revenue, segment result, total carrying amount of segment assets, total amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of expense incurred for depreciation and amortization during the year are all as reflected in the financial statements for the year ended March 31, 2012 and as on that date. Since this being a single business and India the only major geographical segment, constituting over 95% of the company's revenues for the reporting period, the segment information as per Accounting Standard 17, "Segment Reporting", is not required to be disclosed
34	As per the requirements of AS 16: Borrowing Cost, the company has capitalised the borrowing cost incurred during the year to the tune of Rs.74.20 Lakhs (Rs.15.77 Lakhs/-) to the fixed assets / capital work-in-progress.
35	The revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes

For and on behalf of the Board

V.Balaji Bhat
Director

R.Srinivasan
Director

C P Rangachar
Managing Director

Place: Bangalore
Date: 21st May, 2012

H M Narasinga Rao
Chief Financial Officer

Consolidated Notes forming part of the financial statements

1.00 BASIS OF CONSOLIDATION :

2.01 I) Preparation of Accounts

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

2.02 II) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of Yuken India Ltd (the Holding Company) and its Subsidiaries and Associates, together referred to as "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Holding Company, i.e. March 31, 2012

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

a. The Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated fully.

b. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus'.

c. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

d. Investment in Associates has been accounted under the equity method as per Accounting Standard -23, Accounting for investments in Associates in Consolidated Financial Statements.

2.03 Companies included in Consolidation

Particulars	Country of Incorporatio	Ownership Proportion	
		31.03.2012	31.03.2011
Subsidiary			
Yuflow Engineering Pvt. Ltd	INDIA	100%	100%
Coretec Engineering India Pvt. Ltd	INDIA	77%	77%
Prism Hydraulics Pvt. Ltd	INDIA	60%	60%
Associate			
Sai India Limited	INDIA	40%	40%
Bourton Consulting (India) Pvt Ltd	INDIA	29.31%	29.31%

2.04 All Income and expenditure are accounted for on accrual basis

2.05 INVENTORIES

Inventories are valued as follows

(i) a) Raw Materials & Components } At lower of cost on Moving Weighted Average value and net realizable value

(ii) a) Material in transit
b) Work in Process * } At lower of cost and net realizable value

(iii) Finished Goods * At lower of cost and net realizable value

(iv) Tools At lower of cost and net realizable value

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

2.06 Cash flow statement

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

2.07 Tangible fixed assets

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

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

2.08 Capital work-in-progress:

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

Consolidated Notes forming part of the financial statements

2.09 Intangible assets

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

2.10 Foreign currency transactions and translations

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

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

2.11 Investments

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

2.12 Revenue recognition

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

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

2.13 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences.

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.14 Borrowing costs

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

2.15 Leases

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

Consolidated Notes forming part of the financial statements

2.16 Earnings per share

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

2.17 Taxes on income

Current Tax :

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

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

Deferred Tax :

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

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

2.18 Impairment of assets

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an impairment loss is recognized when the carrying amount exceeds greater of net selling price and value in use.
A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

2.19 Provisions and contingencies

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

2.20 Events Subsequent to Balance Sheet Date:

Events occuring after the balance sheet date, which have a material impact on the financial affairs of the Company are taken to congnisance

YUKEN INDIA LIMITED

YUKEN

Consolidated Balance Sheet as at 31 March, 2012

Rs In Lakhs

	Particulars	Note No.	AS AT 31/03/2012	AS AT 31/03/2011
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	300.00	300.00
	(b) Reserves and surplus	4	5,461.10	4,475.00
			5,761.10	**4,775.00**
2	**Minority Interest**		**96.97**	**73.72**
3	**Share application money pending allotment**		-	
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	759.63	1,454.89
	(b) Deferred tax liabilities (net)	32	340.07	225.82
	(c) Other long-term liabilities	6	457.78	389.40
	(d) Long-term provisions	7	137.64	115.85
			1,695.12	**2,185.96**
4	**Current liabilities**			
	(a) Short-term borrowings	8	3,323.19	1,733.07
	(b) Trade payables	9	3,271.37	2,873.51
	(c) Other current liabilities	10	835.42	709.86
	(d) Short-term provisions	11	241.34	172.93
			7,671.32	**5,489.37**
	TOTAL		**15,224.51**	**12,524.05**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12A	5,653.77	3,012.42
	(ii) Intangible assets	12B	76.85	12.95
	(iii) Capital work-in-progress	12	51.25	983.10
			5,781.87	**4,008.47**
	(b) Non-current investments	13	556.08	495.07
	(c) Long-term loans and advances	14	214.13	195.81
	(d) Other non current Asset	15	29.34	26.91
			6,581.42	**4,726.26**
2	Goodwill arising on consolidation		**16.19**	**16.19**
3	**Current assets**			
	(a) Inventories	16	2,471.51	2,506.58
	(b) Trade receivables	17	5,444.26	4,594.69
	(c) Cash and Bank balances	18	270.67	271.26
	(d) Short-term loans and advances	19	437.03	402.36
	(e) Other current assets	20	3.43	6.71
			8,626.90	**7,781.60**
	TOTAL		**15,224.51**	**12,524.05**
	See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Ganesh
Partner

V.Balaji Bhat
Director

R.Srinivasan
Director

C.P.Rangachar
Managing Director

Place : Bangalore
Date : 21st May 2012

H M Narasinga Rao
Chief Financial Officer

YUKEN INDIA LIMITED

YUKEN

Statement of Consolidated Profit and Loss for the year ended 31 March, 2012

	Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
1	**Revenue from operations (Gross)**	21	**19,745.82**	**17,473.30**
	Less: Excise duty		1,848.44	1,633.23
	Revenue from operations (Net)		**17,897.38**	**15,840.07**
2	Other Operating Income	21	73.41	68.99
3	Other income	22	79.36	87.20
4	**Total revenue (1+2+3)**		**18,050.15**	**15,996.26**
5	**Expenses**			
	(a) Cost of materials consumed	23 a	8,704.92	7,510.88
	(b) Purchase of stock-in-trade		-	20.51
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23 b	21.20	(140.25)
	(d) Employee benefits expense	24	2,541.24	2,315.31
	(e) Finance costs	25	454.16	288.96
	(f) Depreciation and amortisation expense	12	330.11	282.97
	(g) Other expenses	26	4,424.38	4,189.52
	Total expenses		**16,476.01**	**14,467.90**
6	**Profit before prior period expenses and tax (4 - 5)**		**1,574.14**	**1,528.36**
7	**Prior Period Expenses**		2.55	-
8	**Profit before tax (6 - 7)**		**1,571.59**	**1,528.36**
9	**Tax expense:**			
	(a) Current tax expense		436.00	469.98
	(b) Deferred tax		114.25	40.38
	(c) Prior year tax		2.63	-
			552.88	**510.36**
10	**Profit For The Year Before Minority Interest / Equity In Earnings Of Associate (8 - 9)**		**1,018.71**	**1,018.00**
11	Less: Minority Interest		24.45	13.45
	Add: Equity in earnings of Associates		79.01	78.70
			54.56	**65.25**
12	**Surplus Carried forward (10 +11)**		**1,073.27**	**1,083.25**
13	**Earnings per share (of `Rs.10- each):**			
	Basic and Diluted	30	35.78	36.11
	See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S Ganesh
Parnter

V.Balaji Bhat
Director

R.Srinivasan
Director

C P Rangachar
Managing Director

Place : Bangalore
Date :21st May 2012

H M Narasinga Rao
Chief Financial Officer

YUKEN INDIA LIMITED

YUKEN

Consolidated Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		1,571.59		1,528.36
Adjustments for:				
Depreciation and amortisation	330.11		282.97	
(Profit) / loss on sale of assets	24.49		1.41	
Finance costs	454.16		288.96	
Preliminary expenses written off	0.05		0.05	
Interest income	(42.71)		(28.35)	
Dividend income	(0.06)		(0.06)	
Liabilities / provisions no longer required written back	(2.33)		(30.30)	
Provision for doubtful trade and other receivables (Net)	22.97		10.34	
Bad trade and other receivables written off	43.54		41.62	
Net unrealised exchange (gain) / loss	13.21	843.43	-	566.65
Operating profit / (loss) before working capital changes		**2,415.02**		**2,095.01**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	35.07		(516.10)	
Trade receivables	(909.01)		(744.65)	
Short-term loans and advances	(82.42)		(42.29)	
Other non current assets	(2.43)		(26.91)	
Long-term loans and advances	(37.51)		(4.09)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	396.57		326.82	
Other current liabilities	115.34		23.27	
Other long-term liabilities	68.38		-	
Short-term provisions	18.66		2.96	
Long-term provisions	21.79	(375.53)	17.57	(963.41)
Cash generated from operations		**2,039.49**		**1,131.60**
Net income tax (paid) / refunds		(348.14)		(526.72)
Net cash flow from / (used in) operating activities (A)		**1,691.35**		**604.88**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advance		(2,110.13)		(1,602.00)
Proceeds from sale of fixed assets		7.15		54.95
Investment in equity shares of Hycom Engg (I) P Ltd		-		(94.13)
Interest Income received		45.94		26.37
Dividend received				
- Associates		18.00		18.00
- Others		0.06		0.06
Net cash flow from / (used in) investing activities (B)		**(2,038.98)**		**(1,596.76)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	500.00		1,552.42	
Repayment of long-term borrowings	(1,198.15)		-	
Net increase / (decrease) in working capital borrowings	1,058.94		(34.60)	
Proceeds from other short-term borrowings	643.54		1,628.86	
Repayment of other short-term borrowings	(99.35)		(1,857.81)	
Finance cost	(458.27)		(282.89)	
Dividends paid	(74.39)		(74.42)	
Tax on dividend	(12.17)		(12.46)	
Net cash flow from / (used in) financing activities (C)		**360.15**		**919.10**
Net increase / (decrease) in Cash and Bank Balances (A+B+C)		**12.52**		**(72.78)**
Cash and Bank balances at the beginning of the year		271.26		333.40
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer Note 18)		3.59		1.02
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(13.12)		10.64
Cash and cash equivalents at the end of the year		**267.08**		**270.24**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 18)		267.08		270.24

Notes:

(i) Earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

S.Ganesh
Partner

V.Balaji Bhat
Director

For and on behalf of the Board of Directors

R.Sranivasan
Director

C.P.Rangachar
Managing Director

H M Narasinga Rao
Chief Financial Officer

Place : Bangalore

Date : 21st May 2012

Notes forming part of the consolidated financial statements

Note 3 Share capital Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Authorised		
Equity shares of Rs.10/- each with voting rights	600.00	600.00
(b) Issued,Subscribed and fully paid up		
Equity shares of Rs.10/- each with voting rights	300.00	300.00
Total	**300.00**	**300.00**

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

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights (Issued,Subscribed and fully paid up)		
Year ended 31 March, 2012		
- Number of shares	3,000,000	3,000,000
- Amount (Rs In Lakhs)	300.00	300.00
Year ended 31 March, 2011		
- Number of shares	3,000,000	3,000,000
- Amount (Rs. In Lakhs)	300.00	300.00

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

Class of shares / Name of shareholder	As at 31 March, 2012	As at 31 March, 2011
	Number of shares held	Number of shares held
Equity shares with voting rights		
Yuken Kogyo Co Ltd	1,200,000	1,200,000
Benefic Investments & Finance Co P Ltd	347,952	347,952

Note 4 Reserves and surplus Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Capital reserve		
Arising on account of consolidation of Subsidiary	15.35	15.35
Arising from investment in Associate	20.60	20.60
	35.95	**35.95**
(b) General reserve		
Opening balance	492.58	362.58
Add: Transferred from surplus in Statement of Profit and Loss	179.00	130.00
Closing balance	**671.58**	**492.58**
(c) Surplus in Statement of Profit and Loss		
Opening balance	3,946.47	3,080.39
Add: Profit for the year	1,073.27	1,083.25
Less: Dividends proposed to be distributed to equity shareholders (Rs.2.50/-per share)	75.00	75.00
Tax on dividend	12.17	12.17
Transferred to:		
General reserve	179.00	130.00
Closing balance	**4,753.57**	**3,946.47**
Total	**5,461.10**	**4,475.00**

Notes forming part of the consolidated financial statements

Note 5 Long-term borrowings

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Term loans		
From banks		
Secured (Refer Note (i) below)	759.63	1,297.41
Unsecured	-	157.48
Total	**759.63**	**1,454.89**

Notes:
(i) Details of terms of repayment for the secured long-term borrowings and security provided in respect of the long-term borrowings:

Particulars	Terms of repayment and security	As at 31 March, 2012	As at 31 March, 2011
(a) Term loans from banks:			
	Interest rate : 10.15%. Repayment (8 equal quarterly installments of Rs.62.50/- Lakhs each commencing from the quarter ending Mar'12.)	187.50	437.50
	Interest rate : 14.00%. Repayment (Repayable in 56 monthly installments of varying amounts commencing from April 2011)	72.13	59.91
	Interest rate : 10.15% Repayment (8 equal quarterly installments of Rs.62.50/- Lakhs each commencing from FY 2013-2014) Security: 1.Hypothecation of company's movable fixed assets acquired out of this loan at Malur foundry plant. 2. Hypothecation of plant & machinery purchased and Stocks. Further, the above loan is secured by equitable mortgage of the Company's industrial shed and guarantee of directors.	500.00	-
	Interest rate : 13.5% Original Repayment Terms : 8 equal quarterly installments of Rs. 100/- Lakhs each commencing from the FY 2012-2013. Security : Extension of Charge on the current assets and first charge on unencumbered fixed assets. Conversion: Above term loan was converted to FCNRB loan on 18.11.2011. (Refer note-8 -short term loans)	-	800.00
Total - Term loans from banks		759.63	1,297.41

(ii) For the current maturities of long-term borrowings, refer item (a) in Note 10 Other current liabilities.

Note 6 Other long-term liabilities

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Payable on Purchase of Fixed Assets	10.18	-
(b) Trade / Security Deposits received	412.99	355.84
(c) Other Deposits	34.61	33.56
Total	**457.78**	**389.40**

Notes forming part of the consolidated financial statements

Note 7 Long-term provisions

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
(i) Provision for Gratuity (net) (refer Note 28)	17.32	15.92
(ii) Provision for compensated absences (refer Note 28)	118.68	99.93
(iii) Others	1.64	-
Total	**137.64**	**115.85**

Note 8 Short-term borrowings

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans repayable on demand		
From banks		
Secured (Refer Note (i) below)	1,255.05	196.10
Unsecured	1,000.00	500.00
	2,255.05	696.10
(b) Other short term loans		
From banks		
Secured (Refer Note (i) below)	1,057.63	1,014.69
Unsecured	10.50	22.28
From others		
Unsecured	0.01	-
	1,068.14	1,036.97
Total	**3,323.19**	**1,733.07**

Note:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand from banks:			
	Hypothecation of Inventory, receivables and other current assets. first charge on unencumbered fixed assets. Further, the above loan is secured by equitable mortgage of the Company's industrial shed.	1,255.05	196.10
Total - from banks		**1,255.05**	**196.10**
Other short term loans from banks:			
	Extension of Charge on the current assets and first charge on unencumbered fixed assets.	927.11	1,014.69
	Hypothecation of Inventory and receivables. first charge on unencumbered fixed assets.	130.52	-
			-
Total - Other short term loans		**1,057.63**	**1,014.69**

Notes forming part of the consolidated financial statements

Note 9 Trade payables

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables:		
(i) Acceptances	76.81	51.68
(ii)'Other than Acceptances	3,194.56	2,821.83
Refer Note no 27.2 for disclosure under section 22 of MSMED Act 2006.		
Total	**3,271.37**	**2,873.51**

Note 10 Other current liabilities

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Current maturities of long-term debt	466.81	396.86
(b) Interest accrued but not due on borrowings	0.28	0.22
(c) Interest accrued and due on borrowings	9.69	13.86
(d) Unpaid dividends	8.44	7.83
(e) Provision for gratuity (net) (Refer Note No 28)	8.06	16.09
(f) Other payables		
(i) Statutory remittances	143.19	126.91
(ii) Payable on Purchase of Fixed Assets	38.51	-
(iii) Advances from customers	105.12	123.40
(iv) Interest accrued on trade payables (Refer Note no 27.2)	5.44	1.44
(v) Others	49.88	23.25
Total	**835.42**	**709.86**

Note:
(i) Current maturities of long-term debt (Refer Note 5 - Long-term borrowings for details of security and guarantee)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Term loans		
From banks	466.81	386.50
From Others:	-	10.36
Total	**466.81**	**396.86**

Note 11 Short-term provisions

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
(i) Current portion of Provision for compensated absences (Refer Note 28)	25.00	24.31
(ii) Provision for Gratuity (net) (Refer Note 28)	4.93	2.01
(iii) Provision for superannuation (Refer Note No 28)	68.46	53.41
	98.39	79.73
(b) Provision - Others:		
(i) Provision for Income tax	55.63	5.88
(ii) Provision for fringe benefit tax	0.15	0.15
(iii) Provision for proposed equity dividend	75.00	75.00
(iv) Provision for tax on proposed dividends	12.17	12.17
	142.95	93.20
Total	**241.34**	**172.93**

Notes forming part of the consolidated financial statements

Note 12 Consolidated Fixed Assets — **Rs in lakhs**

DESCRIPTION	GROSS BLOCK - COST				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01/04/2011	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	AS AT 31/03/2012	AS AT 01/04/2011	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31/03/2012	AS AT 31/03/2012	AS AT 31/03/2011
Tangible Assets (A)										
Freehold Land	272.08	-	-	272.08	-	-	-	-	272.08	272.08
Buildings	848.05	912.00	-	1,760.05	196.98	26.87	-	223.85	1,536.20	651.07
Plant Machinery & Equipment	2,614.88	1,692.61	26.95	4,280.54	1,160.66	174.61	5.59	1,329.68	2,950.86	1,454.22
Electrical Installation	124.71	245.80	1.40	369.11	41.42	7.75	0.52	48.65	320.46	83.29
Furniture / Fixtures	131.35	7.53	2.17	136.71	54.78	8.59	0.93	62.44	74.27	76.57
Office Equipments	471.34	96.07	1.58	565.83	233.12	58.54	0.90	290.76	275.08	238.22
Jigs / Fixtures	301.00	31.51	-	332.51	185.04	25.53	-	210.57	121.94	115.96
Motor Vehicles	212.68	8.91	17.33	204.26	91.67	19.56	9.85	101.38	102.88	121.01
Total (A)	**4,976.09**	**2,994.43**	**49.43**	**7,921.09**	**1,963.67**	**321.45**	**17.79**	**2,267.33**	**5,653.77**	**3,012.42**
Previous Year	4,660.05	555.94	239.92	4,976.07	1,878.50	268.72	183.57	1,963.65	3,012.42	
Intangible Assets (B)										
Software	92.35	52.10	-	144.45	79.40	8.62	-	88.02	56.43	12.95
Technical Fee	33.34	20.46	-	53.80	33.34	0.04	-	33.38	20.42	-
Total (B)	**125.69**	**72.56**	**-**	**198.25**	**112.74**	**8.66**	**-**	**121.40**	**76.85**	**12.95**
Previous Year	122.32	3.37	-	125.69	98.49	14.25	-	112.74	12.95	
Total (A) +(B)	**5,101.78**	**3,066.99**	**49.43**	**8,119.34**	**2,076.41**	**330.11**	**17.79**	**2,388.73**	**5,730.62**	**3,025.37**
Capital Work in Progress									**51.25**	983.10
Total									**5,781.87**	**4,008.47**

Notes forming part of the consolidated financial statements

Note 13 Non-current investments

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Unquoted	Unquoted
Investments (At cost)- :		
A. Trade		
(a) Investment in equity investments of Associates		
360,000 (As at 31.03.2011 : 360,000) Fully paid equity shares of Rs 10/- each of Sai India Ltd	457.77	398.69
	457.77	**398.69**
(b) Investment in equity investments of others		
941,330 (As at 31.03.2011 : 941,330) Fully paid equity shares of Rs.10/- each of Hycom Engineering (India) Private Limited	94.13	94.13
	94.13	**94.13**
Total - Trade (A)	**551.90**	**492.82**
B. Other investments		
(a) Investment in equity investments of Associates		
37,000 (As at 31.03.2011 : 37,000) Fully paid equity shares of Rs.10/- of Bourton Consulting (India) Pvt Ltd	3.68	1.75
	3.68	**1.75**
(b) Investment in equity investments of others		
2,000 (As at 31.03.2011 : 2,000) Fully paid equity shares of Rs 25/- each of The Shamrao Vittal Co-operative Bank Ltd	0.50	0.50
	0.50	**0.50**
Total - Other investments (B)	**4.18**	**2.25**
Total (A+B)	**556.08**	**495.07**
Aggregate amount of unquoted investments	**556.08**	**495.07**

Note 14 Long-term loans and advances

Unsecured, considered good

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Capital advances	69.67	94.67
(b) Security deposits	118.55	77.60
(c) Loans and advances to employees	1.25	4.90
(d) Prepaid expenses	0.98	0.77
(e) Advance income tax	22.27	16.37
(f) Advance Fringe Benefit tax	-	0.09
(g) Other loans and advances	1.41	1.41
Total	**214.13**	**195.81**

Note 15 Other non-current assets

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Long-term trade receivables (including trade receivables on deferred credit terms)		
Unsecured, considered good	29.01	25.40
(b) Others		
Balance held in margin money account	0.33	1.51
Total	**29.34**	**26.91**

Notes forming part of the consolidated financial statements

Note 16 Inventories

(At lower of cost and net realisable value) Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Raw materials	1,541.43	1,540.56
Raw materials in Transit	5.53	34.48
(b) Work-in-progress	527.85	579.11
(c) Finished goods (other than those acquired for trading)	326.99	291.93
(d) Loose tools	69.71	60.50
Total	**2,471.51**	**2,506.58**

Note 17 Trade receivables Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	364.87	353.77
Doubtful	77.47	65.87
	442.34	419.64
Less: Provision for doubtful trade receivables	77.47	65.87
	364.87	**353.77**
Other Trade receivables		
Unsecured, considered good	5,079.39	4,240.92
Doubtful	6.07	-
	5,085.46	4,240.92
Less: Provision for doubtful trade receivables	6.07	-
	5,079.39	**4,240.92**
Total	**5,444.26**	**4,594.69**

Note 18 Cash and Bank balances Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash And Cash Equivalants		
(a) Cash on hand	2.86	2.73
(b) Cheques on hand	-	31.86
(c) Balances with banks		
(i) In current accounts	69.65	125.21
(ii) In EEFC accounts	44.85	18.53
(iii) In Deposit accounts (refer Note (i) below)	25.85	-
(iv) In earmarked accounts		
- Unpaid dividend accounts	8.44	7.83
- Balances held as margin money or security against borrowings, guarantees and other commitments	115.43	84.08
Sub total	**267.08**	**270.24**
Other Bank Balances		
- Balances held as margin money or security against borrowings, guarantees and other commitments.	3.59	1.02
Sub total	**3.59**	**1.02**
Total	**270.67**	**271.26**

Notes:

(i) Balances with banks include margin monies amounting to Rs. 6.91 Lakhs (As at 31 March, 2011 Rs.13.08 Lakhs) which have an original maturity of more than 12 months.

Notes forming part of the consolidated financial statements

Note 19 Short-term loans and advances

Unsecured, considered good — **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Security deposits	13.09	12.15
(b) Loans and advances to employees	13.76	14.16
(c) Prepaid expenses	74.55	53.65
(d) Balances with government authorities		
(i) CENVAT credit receivable	148.72	43.71
(ii) VAT credit receivable	8.14	8.83
(iii) Service Tax credit receivable	34.73	30.16
	191.59	**82.70**
(e) Advance income tax	-	47.75
(e) Others	144.04	191.95
Total	**437.03**	**402.36**

Note 20 Other current assets — **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Accruals		
(i) Interest accrued on deposits	3.43	6.66
(b) Unamortised expenses		
(i) Preliminary Expenses	-	0.05
Total	**3.43**	**6.71**

Note 21 Revenue from operations — **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Sale of products	19,745.82	17,473.30
Less:		
(b) Excise duty	1,848.44	1,633.23
	17,897.38	15,840.07
(c)Other Operating Income		
Training and other services rendered	73.41	68.99
Total	**17,970.79**	**15,909.06**

Note 22 Other income — **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Interest income	42.71	28.35
(b) Dividend income:		
from long-term investments		
associates	0.06	0.06
(c)Other non-operating income	36.59	58.79
Total	**79.36**	**87.20**

Note 23.a Cost of materials consumed — **Rs in lakhs**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Opening stock	1,598.68	1,237.12
Add: Purchases	8,721.91	7,872.44
	10,320.59	9,109.56
Less: Closing stock	1,615.67	1,598.68
Cost of material consumed	**8,704.92**	**7,510.88**

Notes forming part of the consolidated financial statements

Note 23.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Inventories at the end of the year:		
Finished goods	274.01	247.05
Work-in-progress	530.94	579.11
	804.95	826.16
Inventories at the beginning of the year:		
Finished goods	247.05	205.46
Work-in-progress	579.10	480.45
	826.15	685.91
Net (increase) / decrease	**21.20**	**(140.25)**

Note 24 Employee benefits expense

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Salaries and wages	2,220.30	1,997.80
Contributions to provident and other funds(Refer Note 28)	199.92	216.92
Staff welfare expenses	121.02	100.59
Total	**2,541.24**	**2,315.31**

Note 25 Finance costs

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest expense on:		
(a) Borrowings	411.56	259.85
(b) on Dealers Deposits and others	26.26	14.10
(c) Other borrowing costs	2.93	8.71
(d) Net (gain) / loss on foreign currency transactions and translation	13.40	6.30
Total	**454.16**	**288.96**

Note 26 Other expenses

Rs in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Consumption of stores and spare parts	267.07	201.28
Consumption of packing materials	207.61	185.68
Increase / (decrease) of excise duty on inventory	12.47	9.42
Subcontracting	1,435.24	1,417.38
Power and fuel	338.43	291.82
Rent including lease rentals (Refer Note 31)	103.63	106.88
Repairs and maintenance - Buildings	75.67	70.20
Repairs and maintenance - Machinery	157.22	138.70
Repairs and maintenance - Others	16.70	24.57
Vehicle maintenance	64.78	60.79
Insurance	13.36	13.30
Rates and taxes	38.63	47.24
Travelling and conveyance	302.69	296.63
Freight and forwarding	220.13	219.84
Donations and contributions	3.42	0.89
Legal and professional	236.16	229.43
Payments to auditors (Refer Note (i) below)	21.84	16.62
Bad trade and other receivables written off	43.54	41.62
Net loss on foreign currency transactions and translation	54.27	34.08
Loss on fixed assets sold	24.49	1.41

Notes forming part of the consolidated financial statements

Provision for doubtful trade and other receivables (net) (Note: Rs.5.31 Lakhs released for bad debts.)	22.97	10.34
Miscellaneous expenses	764.06	771.40
Total	**4,424.38**	**4,189.52**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note (i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
(a) Holding Company		
As auditors - statutory audit	6.50	6.50
For taxation matters	5.50	3.00
For company law matters	3.50	0.50
For other services	2.50	2.50
Reimbursement of expenses	0.80	1.61
Total	**18.80**	**14.11**
Note: Payment to Auditors of Rs.2 lakhs is being reiumbursed by Yuken Kogyo Co Ltd, Japan, not included above.		
(b) Subsidiary Companies		
As auditors - statutory audit	1.80	1.63
For taxation matters	0.61	0.51
For other services	0.36	0.19
Reimbursement of expenses	0.27	0.18
Total	**3.04**	**2.51**

Note 27 Additional information to the financial statements

	Particulars	As at 31 March, 2012	As at 31 March, 2011
		Rs In lakhs	Rs In lakhs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	**Contingent liabilities**		
	(a) Corporate Guarantee on behalf of Subsidiary Company given by the holding Company.	359.00	350.00
(ii)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	174.06	201.40

27.2	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	Particulars	**As at 31 March, 2012**	**As at 31 March, 2011**
		Rs In lakhs	**Rs In lakhs**
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	137.64	115.07
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.00	0.73
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	4.00	0.73
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	5.43	1.43
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Consolidated Notes forming part of the financial statements

27.3 Details on derivatives instruments and unhedged foreign currency exposures

(a) Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2012 **In lakhs**

Currency	Amount	Buy / Sell	Cross currency
FCNRB LOAN			
USD	18.20	Buy	966.97
	(Nil)	Buy	(Nil)

Note: Figures in brackets relate to the previous year

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

As at 31 March, 2012		As at 31 March, 2011	
Receivable Rs. In lakhs	**Receivable in Foreign currency**	**Receivable Rs. In lakhs**	**Receivable in Foreign currency**
Debtors against Export of Goods			
94.58	USD 222202	68.07	USD 155000
54.73	EURO 80,619	13.51	EURO 21,417
0.27	GBP 443	4.46	GBP 6,227
20.84	JPY 3,391,440	3.65	JPY 667,200
Payable Rs. In lakhs	**Payable in Foreign currency**	**Payable Rs. In lakhs**	**Payable in Foreign currency**
Creditors against Import of goods and services			
613.18	USD 1,217527	480.16	USD1,072,031
13.79	EURO 20,310	6.07	EURO 9621
Un secured Loan- Mizuho Buyers Credit			
169.51	Euro 249,691	157.48	Euro 249,691
Un secured Loan- SBI -Buyers Credit			
80.15	JPY 13,042,500	Nil	Nil
50.37	USD 98,885	Nil	Nil
Interest on Un Secured Loan			
0.27	EURO 406.19	0.22	EURO 345

Note 28 Disclosures under Accounting Standards

Employee benefit plans

28.1 Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.98.25 lakhs (Year ended 31 March, 2011 Rs.79.41 lakhs) for Provident Fund contributions and Rs.69.66 lakhs (Year ended 31 March, 2011 Rs. 56.99 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

28.2 Defined benefit plans

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

(i) Gratuity

(ii) long-term compensated absences

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

Rs in lakhs

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
	Gratuity	Gratuity
Components of employer expense		
Current service cost	15.33	10.56
Interest cost	13.58	10.14
Expected return on plan assets	(10.97)	(8.05)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	38.67
Actuarial losses/(gains)	2.57	4.11
Total expense recognised in the Statement of Profit and Loss	**20.51**	**55.43**

Consolidated Notes forming part of the financial statements

Actual contribution and benefit payments for year		
Actual benefit payments	14.42	5.11
Actual contributions	28.54	60.97
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(184.88)	(176.37)
Fair value of plan assets	176.82	160.28
Funded status [Surplus / (Deficit)]	(8.06)	(16.09)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(8.06)**	**(16.09)**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	176.37	120.12
Current service cost	15.33	10.56
Interest cost	13.58	10.14
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	(5.98)	1.99
Past service cost	-	38.67
Benefits paid	(14.42)	(5.11)
Present value of DBO at the end of the year	**184.87**	**176.36**
Change in fair value of assets during the year		
Plan assets at beginning of the year	160.28	98.49
Acquisition adjustment		
Expected return on plan assets	10.97	8.05
Actual company contributions	28.54	60.97
Actuarial gain / (loss)	(8.55)	(2.12)
Benefits paid	(14.42)	(5.11)
Plan assets at the end of the year	**176.82**	**160.27**
Actual return on plan assets		
Composition of the plan assets is as follows:		
Government bonds	-	38%
PSU bonds	-	0%
Special Deposit scheme	-	38%
Others- Insurer Managed Fund	100%	24%
Actuarial assumptions		
Discount rate	8.55%	8.10%
Expected return on plan assets	7.50%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%
Medical cost inflation	-	-
Mortality tables	-	-
Performance percentage considered	-	-
Estimate of amount of contribution in the immediate next year	20.00	20.00

Experience adjustments

	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Gratuity					
Present value of DBO	184.88	176.37	120.11	117.62	151.08
Fair value of plan assets	176.82	160.28	98.49	110.56	129.68
Funded status [Surplus / (Deficit)]	(8.06)	(16.09)	(21.62)	(7.06)	(21.40)
Experience gain / (loss) adjustments on plan liabilities	1.04	1.30	48.62	(12.30)	1.60
Experience gain / (loss) adjustments on plan assets	(8.55)	(2.12)	0.29	(12.48)	1.41

Consolidated Notes forming part of the financial statements

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Actuarial assumptions for long-term compensated absences		
Discount rate	8.55%	8.10%
Expected return on plan assets	7.50%	7.50%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

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

Leave Encashment	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Change in the profit & Loss Account	38.22	35.25
Amount paid during the year	19.31	19.72
Liability as at the year end	140.09	121.18

Employee benefits of Subsidiary companies

The Consolidated financial statements include Rs. 6.70 lakhs (Rs.15.92 lakhs) towards provision for gatuity and Rs. 1.84 lakhs (Rs.3.06 lakhs) towards provision for leave salary provided by the subsidiary companies. The subsidiary companies have not provided the disclosures enumeraged in AS-15 Employee Benefits, as the same is not material.

Consolidated Notes forming part of the financial statements

Note 29 Disclosures under Accounting Standards

Related party transactions
Details of related parties:

Description of relationship	Names of related parties
Associates	1.Sai India Ltd 2.Bourton Consulting (India) Pvt Ltd
Entity having significant influence	Yuken Kogyo Co Ltd
Key Management Personnel (KMP)	1. C P Rangachar - Managing Director 2. S Yamanoi- Whole Time Director
Relatives of KMP	Vidya Rangachar- Wife of Managing Director

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012 **Rs in lakhs**

Particulars	Associates	Key Management Personal	Relatives of Key Management personal	Entity having significant influence	Total
Purchase of fixed assets					
	-	-	-	-	-
Yuken Kogyo Co Ltd	- -	- -	- -	181.22 -	181.22 -
Purchase of goods & services received					-
	-	-	-	-	-
Yuken Kogyo Co Ltd	- -	- -	- -	995.72 (1,212.51)	995.72 (1,212.51)
Sai India Ltd	159.37 (30.44)	- -	- -	- -	159.37 (30.44)
Bourton consulting (India) Pvt Ltd	9.96 (3.93)	- -	- -	- -	9.96 (3.93)

Consolidated Notes forming part of the financial statements

Rs in lakhs

Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Sale of Goods & Services rendered					
Yuken Kogyo Co Ltd	- -	- -	- -	41.58 (17.81)	41.58 (17.81)
Sai India Ltd	24.22 (26.91)	- -	- -	- -	24.22 (26.91)
Directors Remuneration					
Mr. C P Rangachar	- -	85.78 (80.53)	- -	- -	85.78 (80.53)
Mr. S Yamanoi	- -	23.94 (23.77)	- -	- -	23.94 (23.77)
Payment towards Expenses @					
Mrs. Vidya Rangachar	- -	- -	1.80 (1.80)	- -	1.80 (1.80)
Amount Outstanding (Receivables)					
Yuken Kogyo Co Ltd	- -	- -	- -	45.27 (6.20)	45.27 (6.20)
Sai India Ltd	8.14 (7.02)	- -	- -	- -	8.14 (7.02)
Bourton consulting (India) Pvt Ltd	0.01 (8.26)	- -	- -	- -	0.01 (8.26)
Amount oustanding (Payables)					
Yuken Kogyo Co Ltd	- -	- -	- -	397.25 (459.52)	397.25 (459.52)
Sai India Ltd	24.35 (1.47)	- -	- -	- -	24.35 (1.47)
Advance towards purchase of Goods and Services					
Bourton consulting (India) Pvt Ltd	3.93 (3.93)				3.93 (3.93)
Directors Remuneration					
Mr C P Rangachar	- -	15.03 (23.64)	- -	- -	15.03 (23.64)
Mr S Yamanoi	- -	2.79 (0.71)	- -	- -	2.79 (0.71)

Note:

@ Payment made to relative of Key Management Personnel

a) The related party relationships are as identified by the Company, on the basis of information available with the company and relied upon by the auditors.

b) The above transactions are compiled from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.

c) No amounts in respect of the related parties have been written off / back or provided for during the year.

d) Figures in bracket relates to the previous year.

YUKEN

Consolidated Notes forming part of the financial statements

Note Disclosures under Accounting Standards

Rs in lakhs

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
30	**Earnings per share**		
	Basic and Diluted		
	Net profit for the year from Operations	1,073.27	1,083.25
	Less: Preference dividend and tax thereon	-	-
	Net profit for the year from Operations attributable to the equity shareholders	1,073.27	1,083.25
	Weighted average number of equity shares	30.00	30.00
	Par value per share	10.00	10.00
	Earnings per share from Operations - Basic and Diluted	35.78	36.11

31 **LEASES**

Rs in lakhs

a) The Company has taken a rental premises on a operational lease. The lease rent paid has been charged to the profit and loss account. The break up of total minimum lease rent due as on 31.03.2012 is as follows

Particulars	30th March 2012	31st March 2011
Not later than one year	12.83	11.32
Later than one year but not later than 5 years	68.93	61.49
Later than 5 years	22.69	49.25

b) The Company has entered into lease agreements for vehicles and office facilities which are cancellable. The lease payments recognised in the statement of profit and loss account for the year against these agreements is Rs.92.57(Rs.73.23 lakhs) which has been grouped under 'Rent" under schedule- . There are no cotingent rents payable.

Rs in lakhs

	Particulars	As at 31 March, 2012	As at 31 March, 2011
32	**Deferred tax (liability) / asset**		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	426.44	310.16
	Others	0.06	0.55
	Tax effect of items constituting deferred tax liability	426.50	310.71
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences, gratuity and other employee benefits	49.32	47.68
	Provision for doubtful debts / advances	27.10	21.88
	Others	10.00	15.33
	Tax effect of items constituting deferred tax assets	86.43	84.90
	Net deferred tax (liability) / asset	**340.07**	**225.82**

33 **Segment Report**

The company's predominant risks and returns are from the segment of Motion, Control & power transmission business, which constituted over 95% of the company's revenues for the reporting period. Thus the segment revenue, segment result, total carrying amount of segment assets, total amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of expense incurred for depreciation and amortization during the year are all as reflected in the financial statements for the year ended March 31, 2012 and as on that date. Since this being a single business and India the only major geographical segment, constituting over 95% of the company's revenues for the reporting period, the segment information as per Accounting Standard 17, "Segment Reporting", is not required to be disclosed.

34 As per the requirements of AS 16: Borrowing Cost, the company has capitalised the borrowing cost incurred during the year to the tune of Rs.74.20 Lakhs(Rs.15.77 Lakhs) to the fixed assets / capital work-in-progress.

35 Disclosure of information relating to subsidiary companies (In pursuant to letter from Ministry of corporate affairs under sub section 8 of section 212 of the Companies Act, 1956)

Rs. in Lakhs

Description	Coretec Engineering		Yuflow Engineering		Prism Hydraulics Pvt Ltd	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Capital	61.96	61.96	100.00	100.00	3.75	3.75
Reserves and Surplus	25.86	38.28	125.44	162.25	196.74	120.36
Total Assets	431.61	397.91	854.91	860.52	292.22	260.87
Total Liabilities	431.61	397.91	854.91	860.52	292.22	260.87
Details of investment	-	-	-	-	-	-
Turnover	583.87	624.95	1004.47	1168.97	481.71	428.42
Profit before Taxation	10.28	16.62	-41.73	36.37	108.99	35.28
Provision for Taxation	22.71	5.22	4.93	10.58	32.62	8.09
Profit after Tax	-12.43	11.40	-36.81	25.8	76.37	27.19
Proposed Dividend (Dividend Paid)	-	-	-	-	-	-

Consolidated Notes forming part of the financial statements

36	Figures relating to subsidiary companies have been reclassified where ever necessary to bring in line with the holding Company's financial statements.
37	The revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes

For and on behalf of the Board

V.Balaji Bhat — Director

R.Srinivasan — Director

C.P.Rangachar — Managing Director

Place: Bangalore
Date: 21st May, 2012

H M Narasinga Rao
Chief Financial Officer

Statement Pursuant to section 212 of the Companies Act 1956

Sl No				
1	**Name of the Subsidiary Company**	**YUFLOW ENGINEERING PVT LTD**	**CORETEC ENGINEERING INDIA PVT LTD**	**PRISM HYDRAULICS PVT LTD**
2	Financial Year ending of the Subsidiary	31.03.2012	31.03.2012	31.03.2012
3	Number of Shares Held	1,000,000	4,80,000	2,250
		(10,00,000 Equity Shares of Rs. 10/- each fully paid)	(4,80,000 Equity Shares of Rs.10/- each fully paid)	(2,250 Equity Shares of Rs.100/- each fully paid)
4	Extent of Holding	100%	77%	60%
5	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.6) (Rs. In Lakhs)	Nil	Nil	Nil
6	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	(36.81)	(9.62)	45.82
7	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Except to the extent dealt with in Row.8) (Rs. In Lakhs)	Nil	Nil	Nil
8	Profits/(losses) so far it concerns the members of the Holding Company and not dealt with in the books of Account of the Holding Company (Rs. In Lakhs)	Nil	Nil	Nil

FORM OF PROXY

YUKEN INDIA LIMITED

P.B. No. 16, WHITEFIELD ROAD, WHITEFIELD, BANGALORE - 560 066

I / We ..... of .....being a member / members of the above named Company, hereby appoint.....of..... or failing him .....of.....as my / our proxy, to vote for me / us on my / our behalf at the 36th Annual General Meeting of the Company to be held on 30th August 2012 at 10.30 A.M. and at any adjournment thereof. Signed this.....day of 2012

Signature

Note : 1. The instrument of proxy shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting.

2. Share holders intending to require information about accounts to be explained in the meeting are requested to inform the company atleast 15 days in advance of the Annual General Meeting.

3. Members are requested to bring their copies of the Annual Report to the Annual General Meeting. Due to the prohibitive cost, no copies will be distributed at the Meeting.

YUKEN INDIA LIMITED

P.B. No. 16, WHITEFIELD ROAD, WHITEFIELD, BANGALORE - 560 066

ATTENDANCE SLIP

L.F. No. ..... No. of Shares held .....

Mr./Mrs./Miss .....

I certify I am a registered Shareholder / proxy for the registered Shareholder of the Company.

I hereby record my presence at the 36th Annual General Meeting of the Company held on 30th August 2012 at 10.30 A.M. at Registered Office, P.B.16, Whitefield Road, Whitefield, Bangalore - 560 066.

Signature of the Member / Proxy

Note : 1) Shareholders / Proxy holders are requested to bring the Attendance Slips when they come to meeting and handover the same at the entrance after affixing their signature. Joint shareholders may obtain additional Attendance Slips at the entrance.

2) Please Complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

3) No additional / duplicate Attendance Slip will be issued at the Meeting Hall.

4) The Company has arranged transport on the day of AGM. It will start from Corporation Circle(0pp.)to Pallavi Theatre at 8.45 a.m. and drop the members to the same place after AGM.

* Strike out whichever is not applicable