

	<p align="center">YUKEN INDIA LIMITED An ISO 9001:2015 Company Manufacturers of Oil Hydraulic Equipment IN COLLABORATION WITH YUKEN KOGYO CO. LTD., JAPAN. CIN: L29150KA1976PLC003017</p>		
Regd. Office:	No. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bengaluru – 560 048.	Factory:	PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District – 563 130.
Phone	+91- 9731610341	Phone:	+91 9845191995
Our Ref No:	YIL/Sec/2020	E-mail:	hmn_rao@yukenindia.com
Date:	31 st August, 2020	Web:	www.yukenindia.com

To,

BSE Script Code: 522108

**The General Manager,
Listing Compliance & Legal Regulatory,
BSE Limited, PJ Towers, Dalal Street,
Mumbai – 400001.**

Dear Sir/Madam,

Sub: Submission of Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015:

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Yuken India Limited for the financial year 2019-20.

The copy of the Annual Report is also available on the website of the Company viz., www.yukenindia.com.

Kindly acknowledge the receipt.

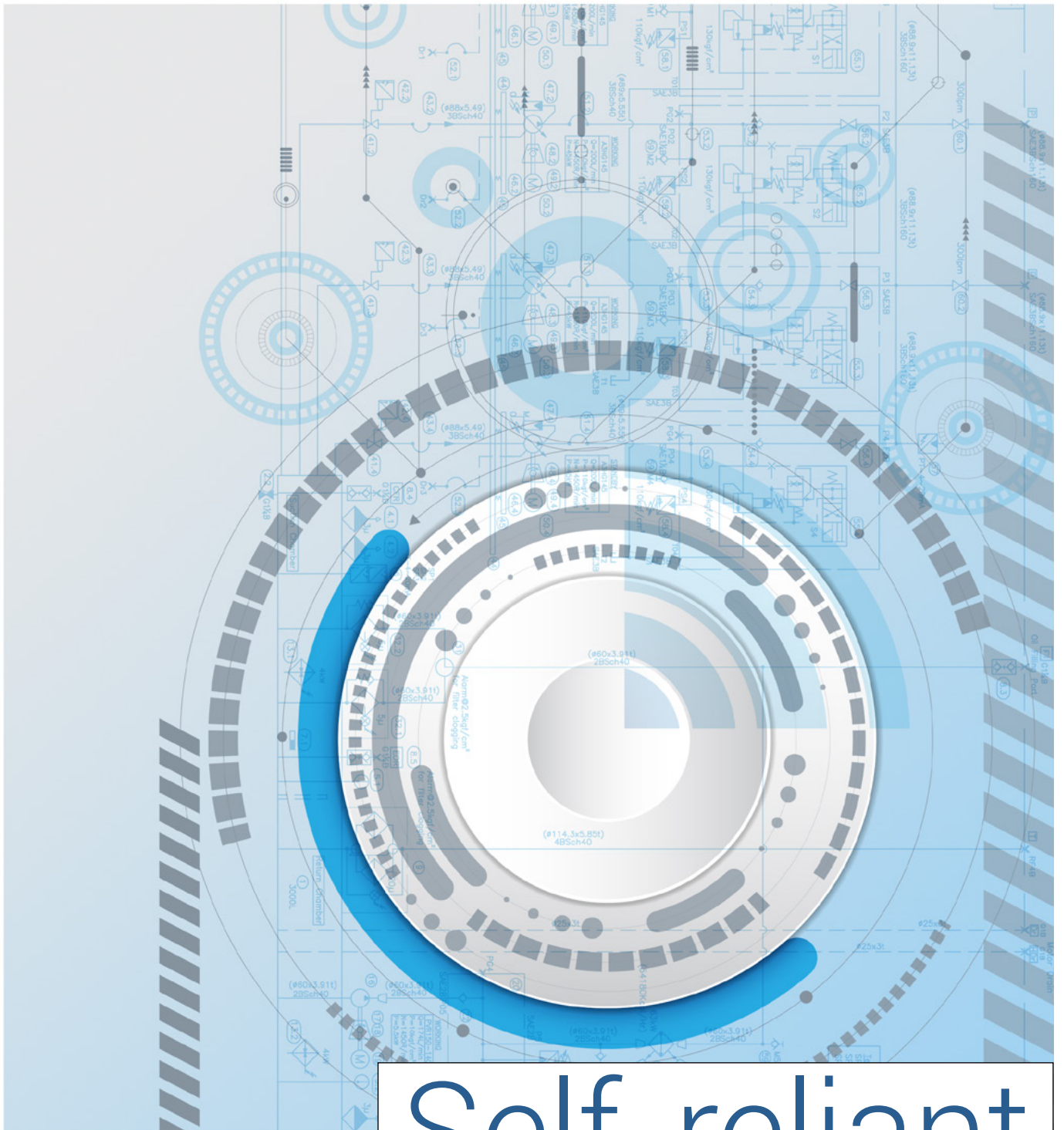
Thanking you,

**Yours faithfully,
For Yuken India Limited**



**Vinayak Hegde
Company Secretary & Compliance officer**





Self-reliant

Yuken India Limited | Annual Report 2019-20

Forward-looking statement

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

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CORPORATE INFORMATION

Board of Directors

Mr. Hidemi Yasuki, Chairman

Mr. Hideharu Nagahisa

Mr. Kenichi Takaku, Additional Director w.e.f 09th May, 2020

Capt. N S Mohanram

Mr. R Srinivasan

Dr. Premchander

Mrs. Vidya Rangachar

Mr. C P Rangachar, Managing Director

Chief Financial Officer

Mr. H M Narasinga Rao

Company Secretary

Mr. Vinayak Hegde

Bankers

State Bank of India.

HDFC Bank Ltd.

MUFG Bank, Ltd.

Mizuho Bank Ltd.

Sumitomo Mitsui Banking Corporation

Auditors

M/s. Walker Chandiok and Co., LLP

Chartered Accountants

Registered office

No. 16-C, Doddanekundi Industrial Area,

II Phase, Mahadevapura,

Bengaluru – 560 048.

Corporate office & Main plant

P B No. 5, Koppalthimmanahalli Village,

Malur-Hosur Main Road, Malur Taluk, Kolar District,

Karnataka – 563 130.

Registrar & Transfer Agent

KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited),

Unit: Yuken India Limited

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

Phone: (040) 6716 1500/1592/1509/1508

Toll Free no.: 1800-345-4001

E Mail Id: Einward.ris@karvy.com

Website: www.kfintech.com



Self-reliant

At Yuken India Limited, we progressively invested in a business model where the majority of the components used in our products are sourced from a local and indigenous eco-system.

Reducing our vulnerability to import shocks.

Protecting us from global supply chain disruptions.

Strengthening our respect as a dependable solutions provider.

We believe that this self-reliant business model represents our biggest insurance in a sectoral slowdown and our biggest asset when conditions revive.

CORPORATE SNAPSHOT

YUKEN INDIA LIMITED.

Indo-Japanese.

Possessing multi-decade domain expertise.

Positioned to enhance value.



Our track record, helping strengthen our foundation

The Company was founded in 1976 in technical and financial collaboration with Yuken Kogyo Company Limited, Japan (YKC), global leaders in oil hydraulic equipment.



Our quality products have strengthened our recall

The Company manufactures hydraulic components like pumps, valves, cylinders and power unit systems. The Company possesses precision manufacturing technologies, modern equipment and robust quality systems to address the emerging needs of various industrial sectors.



Our capacities have enhanced our preparedness

Headquartered in Bengaluru. The Company possesses four state-of-the-art manufacturing facilities in Bengaluru, Malur (Karnataka), Mumbai and Haryana.

Location	Number of plants	Products
Bengaluru	4	Pumps, castings, solenoid coils, ironcores and powerpacks
Malur, Karnataka	3	Pumps, valves and power packs, chip compacting machines, castings and cylinders.
Mumbai	1	Power packs
Bahadurgarh, Haryana	1	Power packs



Our financial robustness has helped strengthen our credit rating

The Company maintained its credit rating at CARE BBB- in 2019-20 for long-term bank facilities, validating its business health.



Listing

The equity shares of the Company are listed on Bombay Stock Exchange where they are traded actively. The Company's market capitalisation stood at ₹390 crore as on 31st March, 2020.



60

Channel partners



15

Countries

Our widening distribution network has enhanced product accessibility

The Company's extensive distribution network is spread across the country, comprising more than 60 channel partners. The Company exports products to more than 15 countries.

Our quality standards are driven by credible accreditations

The Company strives to meet customer's expectations by providing world-class hydraulic products, components, castings and services through total employee commitment and continual improvement. The Company has been accredited with ISO 9001:2015 certification as a result of its emphasis on qualitative consistency.

Our longstanding clients have validated our quality

The Company addresses the demanding needs of prominent clients across all sectors with a greater focus on construction equipment, Plastic machinery, machine tools, defence, steel and power.

Our focused subsidiaries and associates have helped enhance our business capability

The Company comprises four focused subsidiaries and two associates.

The four subsidiaries: Grotek Enterprises Private Limited (manufactures precision ferrous castings), Coretec Engineering India Private Limited (manufactures cylinders, solenoid coils, ironcore and tooling for the foundry), Kolben Hydraulics Limited (manufactures hydraulic products for mobile applications in collaboration with global leaders in this segment) and Yuflow Engineering Private Limited (manufactures electric motors and manifolds).

The two associates: SAI India Limited (manufactures hydraulic motors in collaboration with SAI s.p.a-Italy) and Bourton Consulting (India) Private Limited (engaged in lean manufacturing consulting).

Our experienced management helps us in providing strategic direction and ensures growth

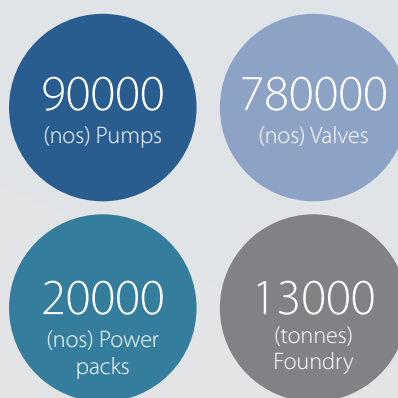
The Company's business is steered by the able leadership and experience of Mr. C P Rangachar, Managing Director, under the guidance of the Board of Directors. The Board is supported by a strong team of experienced professionals and skilled workers at the Company's manufacturing facilities. The strength of the Yuken team stood at 464 nos excluding trainees and casuals as on 31st March, 2020.

Products overview

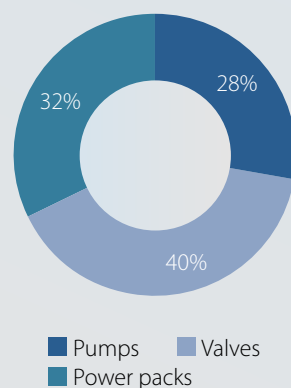
The Company provides a variety and types of products which find application in multiple industrial sectors. Over the years, the Company has been enjoying a large base of clientele, spanning 30-plus sectors.

Product	Pumps	Valves	Others
Types	Vane pumps Piston pumps Gear pumps SERVO systems	Pressure control Direction control Mobile valves Flow control Modular valves Logic valves Proportional valves	Hydraulic power units Cylinders Motors Actuators Accumulators Chip compacting machines (Kiriko) filters Accessories
Variants	Variable displacement piston pumps: A, AR, A3HG series PV2R Series Vane Pumps	Low noise type relief valves Shock-less type valves Solenoid operated valves Reducing modular valves	Electro-hydraulic controls Power-saving products Customized power units
Performance	Revenue share: 28%	Revenue share: 40%	Revenue share: 32%
Application segments	Plastics, Machine Tools, Power, Steel, Construction Equipment, Automotive, Presses, Railways, Material Handling, Drill Rigs, Rubber, Paper, Cement, Mines, Marine etc.		

Products capacities (units per annum)



Product wise revenue, 2019-20



Revenue by geography, 2019-20

Domestic – 97%



International – 3%



Revenue by geography, 2018-19

Domestic – 98%



International – 2%







Chairman's message

Dear shareholders,
The world is passing through a period of change never seen before.

The economic slowdown and the pandemic have transformed the way we will live and also the way business will be conducted.

This dramatic change also opens up a number of opportunities.

Important opportunities for companies like ours will be from equipment manufacturers wanting to reduce their dependence on imports and source more locally.

The Indian Government is actively implementing its 'Atmanirbhar' (self dependence) policy.

We expect to benefit from this development.

Your Company has been operating for over four decades in India and has gained a significant rich experience.

It has built a network of local vendors, enhancing its flexibility, responsiveness and competitiveness.

We are seeing the impact of this trend already.

However, the short-term is challenging for a company like ours but in the medium-term there is a good future for us.

Hidemi Yasuki,
Chairman

The Managing Director's review

Dear shareholders,

Overview

The global and Indian economic slowdown of 2019 was accelerated by the outbreak of the Covid-19 pandemic. The effects of this were visible from January 2020 and only deepened as the months passed.

A national lockdown was imposed from the last week of March 2020, to contain the spread of Covid-19, reversed an anticipated recovery of the Indian economy in 2020-21. Demand, supply chain, discretionary spend and capital expenditure were adversely affected.

The pandemic is transforming the way people work and their way of living.

Capital expenditure by companies and personal expenditure have been severely curtailed to the bare essentials.

Your Company is responding quickly to the changing environment. The revenues and profits of your company can decline during the current financial year if the market does not revive. We have taken action to minimize this decline and protect our business health.

Your Company's performance in 2019-20 followed the national GDP growth.

The Country's GDP declined to 3.1% in the last quarter of the financial year, the lowest in 11 years.

Consequently, the Company's revenues declined 29% to ₹246.22 crore; EBIDTA% declined 2% to ₹18.67 crore;

consolidated profit after tax declined 4% to ₹2.78 crore.

With careful management, your Company continued to be cash-positive despite the sharp revenue erosion.

The decline in the Company's revenues in 2019-20 was due to a demand decline in two of its major market sectors.

The growth of India's automobile industry contracted from 21% in 2018-19 to 5% in 2019-20 on account of a reduction in disposable incomes, sales aversion in the face of a transition to BS VI standard and shared mobility in the country, eroding direct vehicle ownership.

As a result, the Company's revenues from the Machine Tool Sector dwindled from 35% in 2018-19 to 20% in 2019-20 and to only 17% in the fourth quarter of the year under review.

India announced a ban on plastics in June 2019, effective October 2019. Even as some states banned the use of plastics, others did not. In this confusion, capital investment in the plastic sector was postponed. The sales to the plastics sector shrank by 4% in 2019-20 from 18% to 14%.

Besides, the lockdown that affected the movement of products in the second half of March 2020 resulted in a critical loss of despatches in a fortnight when sales are disproportionately high.

Your Company's joint venture with Brigade Enterprises Limited to develop the surplus land received a good response from customers. We sold 82% of the apartments and received ₹32.09 crore as our share of the proceeds upto 31st March, 2020.

Starting March 2020, there has been a disruption in construction activities due to the pandemic. We expect a delay of 12 months in the completion of the project.

Some positives

In line with medium-term optimism for the country's prospects, your Company continued to enhance its capacity by more than 25% with an investment of ₹50 crore.

This will stand us in good stead in the medium term as the economy starts reviving and domestic supplies will be preferred over imports.

The Company moved with speed to restructure in line with the downturn. The benefit will be visible from the current year onwards.

Your Company has initiated several measures like increasing productivity, automation of repetitive processes,

consolidation of manufacturing locations and optimizing the supply chain by rationalising the number of vendors.

Outlook

Even as the overall Indian economy is projected to slacken in the current financial year, some green shoots are visible.

The plastic sector is turning around, riding on an increased demand for sanitiser bottles across the world.

The Indian government is focusing on the completion of part-finished industrial projects and funds are being made available through various economic stimuli.

A tighter import control environment is enhancing the offtake of Indian manufactured products.

The Atmanirbhar Bharat direction by the Government indicates self-reliance and a wider industrial base.

A favourable 2020 monsoon is expected to recharge the rural economy, catalyse consumption, propel infrastructure and lead the Indian economy out of a downtrend.

This, in turn, is expected to revive traction for material handling equipment, tractors and construction equipment, which are among the sectors we address.

Conclusion

Your Company is working to capitalize on the economic upturn as it happens.

The Company possesses unique multi-national linkages and also a strong local eco-system.

Consequently, 90% of its world class products and components are manufactured within India.

Many companies in our field have been affected by disruption in their international supply chain.

Our localization is in line with the national priority and a major competitive advantage.

As a result of our strategic self-reliance, the best is yet to be.

C P Rangachar

Managing Director

Management discussion and analysis



Global economic overview

The global economy grew 2.9% in CY 2019 compared to 3.6% in CY 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in CY 2019, pulling down the overall economic growth average. The 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth significantly starting from the CY 2020.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global growth over the years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Indian economic review

India emerged as the fifth-largest world economy in CY 2019 with a gross domestic product (GDP) of USD2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019. During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

Y-o-Y growth of the Indian economy

	FY2016-17	FY2017-18	FY2018-19	FY2019-20
Real GDP growth (%)	8.3	7	6.1	4.2

Growth of the Indian economy, 2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

Key government initiatives, 2019-20

National infrastructure pipeline: To achieve a GDP of USD 5 trillion by 2025, the government announced a National Infrastructure Policy entailing an investment of 102 trillion in five years.

Corporate tax relief: The government moderated the corporate tax rate to 22% from 25%; it announced a new tax rate of 15% for new domestic manufacturing companies. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%.

Outlook

Various forecasts have estimated a sharp de-growth in the Indian economy for the current financial year, the first such instance of de-growth in decades.

Global hydraulic components industry overview

The global hydraulic components market was estimated at USD 61.3 billion in July 2020 and is projected to reach a market value of USD 78.3 billion by 2027, growing at a CAGR of 3.6% between 2020 and 2027. Hydraulic pumps and motors are used for converting mechanical energy into hydraulic or hydrostatic energy. They

are integral components of construction, agriculture, oil and gas and material handling machinery. Increase in demand for such equipment resulted in increased demand for hydraulic pumps and motors.

The Asia-Pacific region was the largest hydraulic equipment market in 2019,

with China, Japan and India being its key markets. The hydraulics market growth was catalyzed by an increased government focus on modern irrigation equipment, industrialization, construction and infrastructure development. (Source: PR Newswire, Technavio)

Hydraulic Equipment Market: Segmentation by Geography



Indian hydraulic components market overview

The growth of the Indian hydraulic industry is dependent on the offtake of mobile hydraulic equipment. Following 2015-16, the Indian hydraulic industry witnessed a demand surge due to the government's extensive on infrastructural and agricultural investments. The Indian hydraulic industry is projected to grow at a CAGR of 12-15% between 2018 and 2024. The emergence

of electric vehicles, introduction of stringent regulations on carbon emissions and increasing investments in R&D facilities for the development of electric vehicles is expected to drive growth of the Indian hydraulic components industry.

Growth drivers

Rising income: India's per capita income

increased from ₹126,521 in 2018-19 to ₹134,226 in 2019-20, increasing disposable incomes.

Infrastructural investment: India witnessed a surge in infrastructural spending over the past few years. Despite the COVID crisis, total infrastructural investment is estimated at around ₹111

lakh crore between FY2019-20 and FY2023-24.

Rising agricultural investments:

The government has focused on the agricultural sector over the foreseeable future with the objective to enhance farm incomes and productivity. The government intends to invest ₹1.68 lakh crore to augment farm infrastructure between 2020 and 2025 and reduce post-production annual loss of ₹44,000 crore.

Emergence of electric vehicles: There is an increased adoption of electric vehicles. Under the FAME II scheme, electric vehicles are to be used in state transportation systems, catalyzing the hydraulic market.

Opportunities

- Multi-decade sectoral know-how
- Superior quality products
- Prudent investments in R&D
- Wider product bouquet to address the emerging needs of customers
- Widest distribution and service networks encompassing all major Indian States
- Cost leadership on account of extensive technology absorption and indigenisation
- One of the lowest delivery lead times in the industry

Threats

- Weak consumer sentiment
- Stagnant market due to Covid-19 pandemic
- Trade disruption due to the pandemic
- Premium on technology upgradation
- Growing players in the market
- Inflation, rupee depreciation from time to time, high commodity prices and interest rates

Financial analysis (Consolidated)

Gross revenues decreased by 29% to Rs. 246.22 crore during FY – 2019-20 compared to Rs. 345.03 crore during FY -2018-19.

Operating profit (EBITDA) stood at 18.67 crores compared to Rs. 34.45 crore (excluding JDA Income) during FY 2018-19.

Finance costs increased to 37.95 % from Rs. 7.88 crore to Rs. 10.88 crore during FY 2019-20 due to increase in term loan availed during the year for the purpose of

capital expenditure and short term loan for paying the capital gains tax.

Total expenses stood at Rs. 243.58 crore, including tax expense worth Rs. (2.42) crore.

Profit after tax including other comprehensive income (OCI) stood at Rs. 2.78 crore.

Property, plant and equipment and intangible assets including investment property increased by 9.78% to Rs. 104.64

crore during FY-2019-20 from Rs. 95.32 crore during FY-2018-19.

Capital work-in-progress for the year has increased to Rs. 23.13 crore during FY 2019-20 compared with Rs. 8.92 crore during FY 2018-19 primarily on account of expansion programme.

Cash and cash equivalents stood at Rs. 0.73 crore as on 31st March, 2020 compared to Rs. 1.02 crore as on 31st March, 2019.

Key financial ratios

Particulars	FY 2019-20	FY 2018-19
EBIDTA/Turnover	8%	10%
Net profit including JDA /Turnover	1%	35%
Net profit excluding JDA /Turnover	1%	5%
Debt-equity ratio	0.24	0.13
Current ratio	1.40	1.44
Interest coverage ratio excluding JDA income	1.02	3.58
Interest coverage ratio including JDA income	1.02	20.12
Inventory Turnover (no of days) - excluding residential units from JDA.	81	52
Debtors Turnover(no of days)	100	87
Return on Net worth including JDA (%)	2%	69%
Return on Net worth excluding JDA (%)	4%	25%
Book value per share (Rs.)	144.80	144.81
Earnings per share including JDA (Rs.)	2.52	99.50
Earnings per share excluding JDA (Rs.)	2.52	14.93

JDA-Joint Development Agreement.

Risk management

<p>Geographic risk A slowdown in the economy could have an adverse impact on product demand.</p>	<p>Mitigation The Company is likely to be affected in the event of a sustained slowdown arising from the pandemic. However, the Company expects to protect itself through a broad-based approach to customers, downstream sectors, product range and geographies of its presence. The Company derived 3% of its revenues from exports in 2019-20.</p>
<p>Competition risk An inability to address competition can affect competitiveness.</p>	<p>Mitigation The Company invested in quality control, cost optimization, timely delivery and an extensive distribution network, resulting in a superior quality product that enhanced its competitiveness.</p>
<p>Technology risk The Company's technologies may become obsolete and irrelevant, making it imperative to invest in research.</p>	<p>Mitigation The core technologies underlying the manufacture of pumps and valves have endured across the years, a hedge against technology obsolescence.</p>
<p>Safety risk The labour-intensive business is exposed to accidents, health and injury risks.</p>	<p>Mitigation The Company implemented critical safety standards across its manufacturing facilities; it established training needs identification at each level.</p>
<p>Human resource risk There is a growing need for qualified professionals to sustain growth.</p>	<p>Mitigation The Company's employee strength stood at 464 on 31st March, 2020 while retention stood 95% during the year under review.</p>
<p>Liquidity risk A liquidity crunch could affect day-to-day operations.</p>	<p>Mitigation The Company possessed ₹173.76 crore in net worth and relatively lower long-term debt of ₹40 crore as on 31st March, 2020. The Company is a respected organisation with a credit rating of CARE BBB-in 2019-20 that could facilitate funds mobilization with speed and economy.</p>
<p>Service risk The Company may not be able to service customers with speed, affecting its ability to minimize equipment downtime at the customer's end.</p>	<p>Mitigation The Company minimizes equipment downtime at the customer's end through a distribution network of around 60 pan-India dealers. Besides, the Company invested in after-sales service, strengthening its dependability.</p>

Internal control systems and their adequacy

In Yuken India, transparency and accountability has always been a part of its organisational culture. The Company's corporate governance has been strengthened by its code of conduct and various policies framed in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has in place the Prevention of

Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed a robust Audit Committee that monitors and controls regular internal processes. The Committee of the Board and the Constitution of

the Company assures that the internal procedures and accounting policies are in conformity with the requirements of Section 177 of the Companies Act, 2013 and also with that of the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Human resources

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements.

During the year, the Company organized training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership

skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 464 excluding trainees and casuals as on 31st March, 2020.

Cautionary statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this

management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal

markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

BOARD'S REPORT

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

Your Directors have pleasure in presenting their 44th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:

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

Financial Highlights:

Rs. In Lakhs

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Net Income	20,789.52	29,018.74	24,622.27	34,503.05
Total expenditure	19,027.58	26,109.90	22,724.76	31,040.10
Profit/(Loss) before interest, depreciation and tax	1,761.94	2,908.84	1,897.51	3,462.95
Finance cost	917.95	629.28	1,088.09	788.78
Depreciation	426.65	329.44	756.49	619.90
Profit/(Loss) before Exceptional income and tax	417.34	1,950.12	52.93	2,054.27
Exceptional income	-	13,047.82	-	13,047.82
Profit/(Loss) after Exceptional income & before tax	417.34	14,997.94	52.93	15,102.09
Provision for taxation (Net of deferred tax)	(179.56)	3,180.20	(235.53)	3,206.11
Profit/(loss) after tax	596.90	11,817.74	288.46	11,895.98
Share of Profit/(Loss) of associates	-	-	13.87	43.57
Net comprehensive income for the year	(23.65)	(20.10)	(24.20)	(21.09)
Total comprehensive income for the year	573.25	11,797.64	278.13	11,918.46
Total comprehensive income attributable to Controlling interest	-	-	288.81	11,918.46
Balance in Statement of profit and loss	16,191.07	5,365.76	15,538.35	4,592.22
Amount available for appropriation	16,764.32	17,163.40	15,827.16	16,510.68
Appropriations:				
Profit capitalized as part of bonus shares issue	-	(900.00)	-	(900.00)
Equity dividend paid	(240.00)	(60.00)	(240.00)	(60.00)
Tax on Equity Dividend	(49.33)	(12.33)	(49.33)	(12.33)
Balance carried to Balance Sheet	16,474.99	16,191.07	15,537.83	15,538.35

On Standalone basis, the Company has registered a net income of Rs 20,789.52 lakhs as compared to Rs. 29,018.74 lakhs of previous year. The total revenue is decreased due to economic slowdown in the year 2019-20 and on top of it, COVID-19 pandemic situation globally.

On Consolidated basis, the Company has registered net income of Rs. 24,622.27 lakhs as compared to Rs. 34,503.05 lakhs of previous year.

2. DIVIDEND:

Your Directors recommend payment of a dividend of 6% (Six percent) i.e. Rs. 0.60 (Sixty Paise only) per equity share of Rs. 10/- each for the year ended 31st March, 2020, subject to the approval of the members at the ensuing Annual General Meeting.

3. IMPACT OF COVID-19 PANDEMIC ON COMPANY'S BUSINESS:

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23rd March, 2020, due to which the Company suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments.

Considering the lockdown, the Company has suspended its operations at all manufacturing facilities and offices with effect from 24th March, 2020 to 04th May, 2020. The plant was operational from 05th May, 2020 with minimum employees and implemented Standard Operating Procedures (SOP) for safety of our employees like wearing of face masks, social distancing norms, workplace sanitation and awareness programmes. The Standard Operating Procedures are regularly reviewed and updated based on guidelines issued by Government Authorities from time to time.

COVID-19 pandemic has impacted the normal business operations by way of sales, production, supply chain disruptions, closure of customers' site, suspension of travel and unavailability of personnel during the lockdown period.

For the quarter ended 31st March, 2020, COVID - 19 has impacted your Company's revenues, due to stoppage of work, logistic issues, pending for physical inspection and customer clearances etc. This situation continues in the current year also. Your Company has adopted several measures to come out of the current situation, to increase the production and sales.

4. THE EXTRACT OF ANNUAL RETURN:

As per provisions of Section 92 (3) of the Companies Act, 2013 ("Act") read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in 'Annexure-1' forming part of this report and also available on the website of the Company at <http://www.yukenindia.com/report-result/>

5. BOARD MEETINGS HELD DURING THE YEAR:

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

6. COMPLIANCE ON CRITERIA OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

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

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

In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs. Since all the Independent Directors of the Company have served as Director or key managerial personnel in listed companies or in an unlisted public company having a paid-up share capital of 10 crore or more for a period not less than 10 years, they are not required to undertake the proficiency test as per Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

7. REMUNERATION POLICY OF THE COMPANY:

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

As and when need arises for appointment of Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC while recommending candidature to the Board, will take into consideration the qualification, attributes, experience and Independence of the Candidate. Director(s) appointment and remuneration will be as per NRC Policy of the Company.

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

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

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

Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board, its Chairman

and Non- Executive Directors and other items as stipulated under the Listing Regulations.

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

There has been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations. All orders received by the Company during the year are of routine in nature which have no significant/material impact.

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

LOANS:

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

Investments:

- During the year under review, the Company has acquired 3,97,498 equity shares of Rs. 10/- each aggregating to Rs. 39,74,980/- (Rupees Thirty-Nine Lakhs Seventy-Four Thousand Nine Hundred and Eighty only) of Kolben Hydraulics Limited, after this acquisition with effective from 01st July, 2019, Kolben Hydraulics Limited became a Subsidiary Company.
- During the year under review, the Company has invested Rs. 3,00,00,000 (Rupees Three Crores Only) comprising of 30,00,000 equity shares of Rs. 10/- in Coretec Engineering India Private Limited, Wholly Owned Subsidiary Company.

Corporate Guarantee:

During the year under review, the Company has not granted any Corporate Guarantees to its Subsidiary/Associate Companies. However, existing Guarantees are renewed and outstanding balances of Corporate Guarantees as on 31st March, 2020 is as under.

Rs. in Lakhs			
Sl. No.	Particulars	Name of Bank	Outstanding Balance as on 31.03.2020
1	Coretec Engineering India Private Limited	HDFC Bank	750
		Sumitomo Mitsui Banking Corporation	1,100
2	Grotek Enterprises Private Limited	HDFC Bank	600
		Sumitomo Mitsui Banking Corporation	1,000

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

11. AMOUNT, IF ANY, PROPOSED TO BE TRANSFERRED TO RESERVES:

During the year under review, the Company has not transferred any money towards General Reserve.

12. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

A. TRANSFER OF UNPAID DIVIDEND:

As required under Section 124 of the Companies Act 2013, the unclaimed dividend amount aggregating to Rs. 1.06 lakhs lying with the Company for a period of 7 (Seven) years pertaining to the financial year ended on 31st March, 2012 was transferred during the financial year 2019-20 to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

B. TRANSFER OF SHARES:

As per the provisions of Section 124 of the Companies Act, 2013, 707 equity shares of Rs. 10/- each, in respect of which dividend has not been claimed by the members for 7 (Seven) consecutive years or more, have been transferred by the Company to Investor Education

and Protection Fund Authority (IEPF) during the financial year 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as Company.

13. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

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

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

Particulars	Subsidiary				Associates	
	Grotek Enterprises Private Limited.	Coretec Engineering India Private Limited.	*Kolben Hydraulics Limited.	Yuflow Engineering Private Limited.	Sai India Limited.	Bourton Consulting (India) Private Limited.
Total Income						
FY 2019-20	4,613.18	2,410.07	476.39	11.83	2,049.34	41.05
FY 2018-19	6,935.77	3,098.26	535.28	4.27	2,661.50	71.87
Total expenditure						
FY 2019-20	4,328.57	2,370.08	578.27	57.09	1,837.64	41.53
FY 2018-19	6,306.79	3,002.78	575.50	67.60	2,328.90	69.19
Profit/(Loss) before interest, depreciation and tax						
FY 2019-20	284.61	39.99	(101.88)	(45.26)	211.70	(0.48)
FY 2018-19	628.98	95.48	(40.22)	(63.33)	332.60	2.68
Finance cost						
FY 2019-20	82.45	127.34	-	0.28	83.54	-
FY 2018-19	96.80	106.24	-	-	65.33	-
Depreciation						
FY 2019-20	235.54	82.33	10.85	3.17	92.39	3.38
FY 2018-19	218.81	71.66	6.97	-	96.76	0.74
Profit/(Loss) before tax						
FY 2019-20	(33.38)	(169.68)	(112.73)	(48.71)	37.16	(3.86)
FY 2018-19	313.37	(82.42)	(47.19)	(63.33)	170.51	1.94
Provision for taxation (Net of deferred tax)						
FY 2019-20	(8.64)	(9.97)	(37.22)	-	(0.92)	0.10
FY 2018-19	46.91	(20.99)	(9.17)	-	2.69	0.58
Other comprehensive income for the year						
FY 2019-20	(0.12)	(0.44)	-	-	0.47	-
FY 2018-19	(1.08)	0.11	-	-	0.76	-
Profit/(Loss) after tax(Including other comprehensive income)						
FY 2019-20	(24.87)	(160.14)	(75.50)	(48.71)	37.16	(3.96)
FY 2018-19	265.38	(61.32)	(38.03)	(63.33)	168.59	1.35
Earnings per share (in Rs.)						
FY 2019-20	(0.49)	(20.16)	(7.55)	(2.44)	4.08	(3.14)
FY 2018-19	5.32	(9.91)	(3.80)	(3.17)	18.65	1.07

* We.f 01st July, 2019 Kolben Hydraulics Limited became a subsidiary Company.

Statement containing salient features of financial statements of subsidiaries and associate Companies in Form AOC-1 is enclosed herewith as 'Annexure-2' forming part of this report.

14. RELATED PARTY TRANSACTIONS:

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

Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in the Note No. 44 of the Notes forming part of the financial statements in the Annual Report.

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

<http://www.yukenindia.com/wp-content/uploads/2019/02/Related-Party-Transactions-Policy.pdf>

Particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 is enclosed herewith as 'Annexure-3', forming part of this report.

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

Your Board of Directors at their meeting held on 13th June, 2020 approved the draft Scheme of Amalgamation ("Scheme") of Yuflow Engineering Private Limited (Wholly Owned Subsidiary) with Yuken India Limited and their respective Shareholders & Creditors. Such Scheme was presented under Section 230 - 232 and other applicable provisions of the Companies Act, 2013 and the rules & regulations made thereunder. Appointed date is 01st April, 2020 or such other date as may be approved by Regional Director, Hyderabad or such other appropriate authorities.

Apart from this, there has been no other material changes and commitments, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

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

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

1. Conservation of Energy:

A. Steps taken or impact on conservation of energy:

- Replaced conventional light fixtures with energy efficient LED light fixtures in the plant.
- Power factor was maintained at 0.99 by identifying and replacing faulty capacitors, increasing the frequency of periodic/preventive maintenance of capacitor banks.
- Installation of Servo Stabilizer in Shop floor and certain office lighting reduced maintenance cost and saving in energy.
- Reduction in total energy footprint through various capital projects ranging from installation of energy efficient pumps, solar street lights in walking area and factory areas, etc.
- Replacement of old age screw compressor having low working efficiency with new air compressor.
- For natural lighting, transparent sheet has been installed in all the plants to reduce energy consumption.
- To reduce the temperature inside the shop floor, various types of plants has been planted vertically on the walls.

2. Foreign Exchange Earnings and Outgo:

A. Foreign Exchange Earnings:

Rs. in lakhs

Sl. No.	Particular	Year ended 31.03.2020	Year ended 31.03.2019
1	Export Sales	234.18	408.58
2	Other Income	6.24	6.34

B. Expenditure in Foreign Currency:

Rs. in lakhs

Sl. No	Particular	Year ended 31.03.2020	Year ended 31.03.2019
1	Brand fee	78.48	109.07
2	Royalty	-	7.90
3	Others	40.77	104.53

C. Remittance in Foreign Currency on Account of:

Rs. in lakhs

Sl. No	Particular	Year ended 31.03.2020	Year ended 31.03.2019
1	Dividend	96.00	24.00

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.

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

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

- Upgradation and modification of chip compacting machine which was originally designed by Yuken Kogyo Co. Ltd., Japan.
- Several concepts of energy saving hydraulic power units have been designed to suit customer requirements.
- Development of high pressure application valves and pumps for steel industries.
- The Company is in the process of developing various types of Electro Hydraulic Drives and equipments for the purpose of construction and mobile segments.

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

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

(c) Future plan of action:

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

(d) Expenditure on R&D

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

4. Technology Absorption, Adaptation and Innovation:

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

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

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

- Dependency on imports is minimized / import substitution.
- Reduction of material cost.
- Improvement in Quality and product performance characteristics.
- Ability to innovate and produce new products.

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

NIL

17. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

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

18. DEPOSITS:

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

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

19. BOARD OF DIRECTORS:

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

The composition of Board is as under;

Sl. No.	Name of the Director	Designation
1	Capt. N S Mohanram	Independent Director
2	Mr. R Srinivasan	Independent Director
3	Dr. Premchander	Independent Director
4	Mr. C P Rangachar	Managing Director
5	Mr. Hidemi Yasuki	Non-Executive Director
6	Mr. Hideharu Nagahisa	Non-Executive Director
7	Mr. Kenichi Takaku	Non-Executive Director
8	Mrs. Vidya Rangachar	Non-Executive Director

During the year under review, Mr. Hidemi Yasuki was appointed as an Additional Director on 19th July, 2019 and re-designated as Director on 03rd September, 2019.

Mr. Koichi Oba – Director was resigned for the post of Directorship with effect from 19th July, 2019. The Board placed on the record of appreciation for valuable advice given by him during the tenure of his directorship.

Capt. N S Mohanram - Non-Executive & Independent Director was re-appointed for a term of 3 years and Mr. R Srinivasan and Dr. Premchander are Non-Executive & Independent Directors re-appointed for a term of 5 years with effect from 03rd September, 2019.

At the Board meeting held on 08th February, 2020, Mr. C P Rangachar – Managing Director was re-appointed for a period of 5 years with effect from 01st May, 2020 to 30th April, 2025. The Board recommends for the re-appointment as Managing Director at the ensuing Annual General Meeting.

Mr. Kenichi Takaku appointed as an Additional Director of the Company with effective from 09th May, 2020. He shall hold the office up to the date of ensuing Annual General Meeting of the Company. The Board recommends for their appointment as Director at the ensuing Annual General Meeting.

Mr. Hidemi Yasuki, Non-Executive Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

20. KEY MANAGERIAL PERSONNEL ("KMP"):

Pursuant to provisions of Section 203 of the Companies Act, 2013, following persons are Key Managerial Personnel as on 31st March, 2020:

Sl. No.	Name of the KMP	Designation
1	Mr. C P Rangachar	Managing Director
2	Mr. H M Narasinga Rao	Chief Financial Officer
3	Mr. K Gopalkrishna	Executive Director
4	Mr. A Venkatakrishnan	Chief Operating Officer
5	Mr. Vinayak Hegde	Company Secretary

21. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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

22. RISK MANAGEMENT POLICY:

In compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted by the Board. However, provisions of Regulation 21 of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

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

The Company has mitigated some of the risks as mentioned below.

- Measures taken by IT department of the Company to mitigate risk relating to security of data and systems of the Company.
- Security measures in the manufacturing units of the Company to prevent accidents.
- Installation of CC TV cameras and siren at factory for safety of the employees.
- Measures taken by the Company to mitigate foreign exchange transaction risks.

23. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES:

The Company has a Policy on Corporate Social Responsibility and has constituted a CSR Committee as required under the Act, for implementing the various CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report. Education, Health Care, Environment, Rural Development, etc., are the focal areas under the CSR Policy.

The Company has implemented various CSR projects directly and/or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. The Company has spent an amount of Rs. 7,32,695/- for identified CSR activities during the financial year ending 31st March, 2020. A detailed Report on CSR is enclosed as 'Annexure-4' forming part of this report.

24. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;

- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company as applicable to listed companies and such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

25. SECRETARIAL STANDARDS:

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

26. COMMITTEES OF THE BOARD:

As on 31st March, 2020, the Board had 4 (Four) committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, and the Stakeholders' Relationship Committee. A majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate governance report, which forms part of this report.

27. WHISTLE BLOWER POLICY:

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

of Director(s) and Employee(s) who avail of the mechanism.

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

<http://www.yukenindia.com/wp-content/uploads/2019/11/Whistle-Blower-Policy-New.pdf>

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

The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. As required under law, an internal Compliance Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the year, no complaint of sexual harassment has been received.

29. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

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

30. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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

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

- a. Ratio of remuneration of each Director/KMP to the median employee's remuneration and the percentage increase in the median remuneration of each Director, Chief Financial Officer, Chief Operating Officer, Company Secretary or Manager, if any, in the financial year 2019-20.

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2019-20 (In Rs.)	Remuneration for the financial year 2018-19 (In Rs.)	% increase (decrease) in remuneration in the financial year 2019-20	Ratio of remuneration of each Director/ KMP to that of Median remuneration of employees
Mr. C P Rangachar, Managing Director	69,19,876	1,01,84,420	(32.05)	10.04:1

Name of the Director / Key Managerial Personnel (KMP)	Remuneration for the financial year 2019-20 (In Rs.)	Remuneration for the financial year 2018-19 (In Rs.)	% increase (decrease) in remuneration in the financial year 2019-20	Ratio of remuneration of each Director/ KMP to that of Median remuneration of employees
Capt. N S Mohanram, Non-Executive, Independent Director	2,37,917	5,09,500	(53.30)	0.35:1
Mr. R Srinivasan, Non-Executive, Independent Director	2,09,917	5,49,500	(61.80)	0.30:1
Dr. Premchander, Non-Executive, Independent Director	2,57,917	4,89,500	(47.31)	0.37:1
Mrs. Vidya Rangachar, Non-Executive Director	1,29,917	4,49,500	(71.10)	0.19:1
Mr. Hideharu Nagahisa – Non Executive Director	57,916	3,59,500	(83.89)	0.08:1
Mr. Koichi Oba – Non Executive Director, resigned w.e.f 19.07.2019	-	3,59,500	-	-
Mr. Hidemi Yasuki – Non Executive Director, appointed w.e.f 19.07.2019	57,916	-	-	0.08:1
Mr. Kenichi Takaku – Non Executive Director, appointed w.e.f 09.05.2020	-	-	-	-
Mr. K Gopalkrishna – Executive Director	56,54,562	62,96,468	(10.19)	8.21:1
Mr. H M Narasinga Rao – Chief Financial Officer	47,61,972	54,18,128	(12.11)	6.91:1
Mr. A Venkatakrishnan – Chief Operating Officer	27,91,752	31,03,908	(10.06)	4.05:1
Mr. Vinayak Hegde – Company Secretary	5,92,173	6,75,467	(12.33)	0.86:1

Notes:

1. The Net Profit after tax has decreased by Rs. 801.17 lakhs (excluding comprehensive and Brigade JDA income) as compared to the previous year and the remuneration of the Managing Director has decreased by 32.05%.
2. Remuneration paid /payable to Managing Director and Non-Executive Directors for the financial year 2019-20 is inclusive of Salary, Commission and Sitting Fees.
3. All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company, but considering the economic slowdown and COVID-19 pandemic impact on Company's Business, the Members of the Nomination and Remuneration Committee considered and approved for payment of 50% of the eligible amount of Commission for FY 2019-20. The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.
 - b. The number of permanent employees on the rolls of the Company as on 31st March, 2020 was 313 (previous year -327).
 - c. Percentage decrease in median remuneration of employees for the financial year is -21.07%.
 - d. Relationship between average increase in remuneration and Company performance:
The Profit after Tax for the financial year 2019-20 stood at Rs. 596.90 lakhs (excluding comprehensive income) and the average decrease in median employee remuneration was -21.07%. Remunerations of the employees are as per the industry standards.
 - e. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
Overall remuneration of Key Managerial Personnel for the year 2019-20 has decreased -19.31% whereas, the total revenue from the operations has decreased by -28.36% when compared to the previous year. Remuneration of the KMPs are as per the industry standards.
 - f. Details of share price and market capitalization:
 - (i) The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial year are as follows:

Sl. No.	Particulars	31 st March, 2020	31 st March, 2019
i.	Variations in the market capitalization	390.00 Crores	811.62 Crores
ii.	Price Earnings Ratio of the Company	65.39:1	06.87:1

- (ii) Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

The Company had come out with Initial Public Offer ("IPO") in the year 1991. An amount of Rs. 10/- invested in the said IPO would be worth Rs. 325 as on 31st March, 2020 indicating a Compounded Annual Growth Rate of 12.75 %. This is excluding the dividend received/accrued thereon.

- g. Average percentage increase/(Decrease) already made in the salaries of employees other than the key managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Percentage decrease of salaries of employees other than the key managerial personnel in the financial year: -11.93% as compared to previous year.
- Percentage Decrease in the key managerial remuneration: -19.31% as compared to previous year.
- Due to Slowdown in the economy and reduction of manpower, the total salary is reduced as compared to previous year.

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

Directors are paid commission calculated on the basis of net profits of the Company under the provisions of Section 197 of the Companies Act, 2013 and based on the Nomination and Remuneration Policy of the Company. The Directors are eligible for the commission on the net profit of the Company for the financial year 2019-20.

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

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

- j. Information as per Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. Employed throughout the financial year and were in receipt of remuneration for the year, in the aggregate of not less than Rs. 102 lakhs - NIL

- ii. Employed for a part of the financial year and were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8.50 lakhs per month - NIL

- iii. Employed throughout the financial year or part thereof, was in receipt of remuneration in the year in excess of that drawn by the managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company - NIL

32. SHARE CAPITAL:

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

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

The Authorized share Capital of the Company is Rs. 15,00,00,000 consisting of 1,50,00,000 Equity Shares of Rs. 10/- each and paid up equity share capital of the Company is Rs. 12,00,00,000 consisting of 1,20,00,000 equity shares of Rs. 10/- each as on 31st March, 2020.

During the year under review, Company has not issued any shares or any convertible instruments.

33. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Adarsh Sharma & Co, Cost Accountants, Bengaluru, as Cost Auditors for conducting Cost Audit for the financial year 2020-21. Your Directors proposed to ratify the remuneration payable to them for the financial year 2020-21 at the ensuing Annual General Meeting.

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

34. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiok and Co., LLP, Chartered Accountants (Firm Registration No.001076N / N500013), were appointed as Statutory Auditors of the Company for a term of 5 years and to hold the

office up to the conclusion of 46th Annual General Meeting of the Company to be held in the year 2022.

There are no qualifications in their report for the financial year ended 31st March, 2020. The Auditors' Report is enclosed with the financial statements.

35. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors has appointed M/s. Joseph & Chacko LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Auditors' Report for FY 2019-20 does not contain any qualifications. The Report of the Secretarial Audit is annexed herewith as 'Annexure 5' forming part of this report.

The Board of Directors have re-appointed M/s. Joseph & Chacko LLP, Company Secretary in Practice to conduct the Secretarial Audit for FY 2020-21 also.

36. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:

Your Company is committed to maintain high standards of Corporate Governance. A report on Corporate Governance along with a Certificate from the Statutory Auditors on compliance of Corporate Governance is attached as 'Annexure -6' forming part of this report. The certificate does not contain any qualifications.

37. BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34 of SEBI (LODR) Regulations, the business Responsibility Report for the year 2019-20 describing the initiatives taken from environment, social and governance perspectives, in the prescribed format is attached as 'Annexure - 7' forming part of this report.

38. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis (MDA) forms part of the Annual Report setting out an analysis of business including the

industry scenario, performance, financial analysis and risk mitigation.

Refer page No. 08.

39. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard Ind AS-110 on "Consolidated Financial Statements" read with Accounting Standard Ind AS-28 on "Accounting for Investments in Associates", the audited Consolidated Financial Statements are provided in the Annual Report.

40. FORWARD-LOOKING STATEMENTS:

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

41. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 27th June, 2020

C P Rangachar
Managing Director
(DIN: 00310893)

Capt. N S Mohanram
Director
(DIN: 02466671)

R Srinivasan
Director
(DIN: 00043658)

Annexure - 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L29150KA1976PLC003017
2.	Registration Date	28 th June, 1976
3.	Name of the Company	YUKEN INDIA LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares/ Indian Non-Government Company
5.	Address of the Registered office	No. 16-C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bengaluru, Karnataka, PIN Code: 560048, India.
6.	Address of Corporate Office	P B No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka, PIN Code: 563130.
7.	Contact Details	Contact No. +91 9845191995, +91 9731610341, +91 8050697694 Email: hmn_rao@yukenindia.com, vinayak.hegde@yukenindia.com Website: http://www.yukenindia.com/
8.	Whether listed Company	Yes Name of the Stock Exchange: BSE Limited (BSE) Script Code: 522108
9.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Unit: Yuken India Limited Karvy Selenium Tower-B, Plot Nos. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad- 500 008. Phone: (040) 6716 1500/1592/1509/1508 Toll Free no.: 1800-345-4001 E Mail Id: Einward.ris@karvy.com Website: www.kfintech.com Fax Number: 040 - 23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Hydraulic Pumps, Valves and Others	2812	68%
2	Hydraulic Power Units	2812	32%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	GROTEK ENTERPRISES PRIVATE LIMITED No. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura Bengaluru – 560048.	U29220KA1997PTC023210	Subsidiary	100%	2(87)
2	CORETEC ENGINEERING INDIA PRIVATE LIMITED B-59, Dyavasandra Industrial Estate, Mahadevapura, Whitefield Road, Bengaluru – 560048.	U29246KA1998PTC023863	Subsidiary	100%	2(87)
3	YUFLOW ENGINEERING PRIVATE LIMITED C/o. Yuken India Limited, B-80, 2 nd Cross, 1 st stage, Peenya Industrial Area, Bengaluru – 560058.	U29120KA2002PTC120611	Subsidiary	100%	2(87)
4	*KOLBEN HYDRAULICS LIMITED SB-54, Ground, Mezzanine and 1 st Floor 1 st stage, 2 nd Cross, Peenya Industrial Area Bengaluru - 560058	U29119KA2007PLC043340	Subsidiary	85.92%	2(87)
5	SAI INDIA LIMITED No. 26-C, Doddenakkundi Industrial Area, Phase 1, Mahadevapura Post, Bengaluru- 560048.	U29120KA1989FLC010358	Associate	40%	2(6)
6	BOURTON CONSULTING (INDIA) PRIVATE LIMITED No.16 C, Doddanekundi Industrial Area II Phase, Mahadevapura Bengaluru - 560048	U74140KA2007PTC042384	Associate	29.54%	2(6)

* Kolben Hydraulics Limited is a subsidiary Company with effect from 01st July, 2019.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

(i) Category-wise Share Holding:

Category code	Category of shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	Indian									
(a)	Individual /HUF	1,08,400	-	1,08,400	0.90	1,08,400	-	1,08,400	0.90	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	13,91,808	-	13,91,808	11.60	13,91,808	-	13,91,808	11.60	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	15,00,208	-	15,00,208	12.50	15,00,208	-	15,00,208	12.50	-
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	48,00,000	-	48,00,000	40.00	48,00,000	-	48,00,000	40.00	-
(c)	Institutions	-	-	-	-	-	-	-	-	-

Category code	Category of shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	48,00,000	-	48,00,000	40.00	48,00,000	-	48,00,000	40.00	-
	Total A=A(1)+A(2)	63,00,208	-	63,00,208	52.50	63,00,208	-	63,00,208	52.50	-
(B)	PUBLIC SHAREHOLDING									
(1)	Institutions									
(a)	Mutual Funds /UTI	25,644	2,000	27,644	0.23	-	2,000	2,000	0.02	(0.21)
(b)	Financial Institutions / Banks	-	800	800	0.01	-	-	-	-	(0.01)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	19,500	-	19,500	0.16	0.16
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	25,644	2,800	28,444	0.24	19,500	2,000	21,500	0.18	(0.06)
(2)	Non-Institutions									
(a)	Bodies Corporate	17,68,055	2,332	17,70,387	14.75	13,08,705	2,332	13,11,037	10.92	(3.83)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	18,87,681	2,14,302	21,01,983	17.52	17,80,977	1,79,002	19,59,979	16.33	(1.19)
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	16,43,844	-	16,43,844	13.70	21,80,060	-	21,80,060	18.17	4.47
(c)	Others	-	-	-	-	-	-	-	-	-
1	Clearing Members	6,887		6,887	0.05	95,987		95,987	0.80	0.75
2	Non Resident Indians	26,317	-	26,317	0.21	26,282	-	26,282	0.22	0.01
3	NRI NON-REPATRIATION	30,686	-	30,686	0.26	34,603	-	34,603	0.29	0.03
4	TRUSTS	1,900	-	1,900	0.02	1,900	-	1,900	0.02	-
5	IEPF	71,437		71,437	0.60	68,444	-	68,444	0.57	(0.03)
6	NBFCs Registered with RBI	17,907		17,907	0.15	-	-	-	-	(0.15)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	54,54,714	2,16,634	56,71,348	47.26	54,96,958	1,81,334	56,78,292	47.32	0.06
	Total B=B(1)+B(2):	54,80,358	2,19,434	56,99,792	47.50	55,16,458	1,83,334	56,99,792	47.50	-
	Total (A+B):	1,17,80,566	2,19,434	1,20,00,000	100.00	1,18,16,666	1,83,334	1,20,00,000	100.00	-

Category code	Category of shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	1,17,80,566	2,19,434	1,20,00,000	100	1,18,16,666	1,83,334	1,20,00,000	100.00	-

(ii). Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share Holding during The year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1	Yuken Kogyo Co., Ltd	48,00,000	40.00	-	48,00,000	40.00	-	-
2	Benefic Investment And Finance Company Pvt Ltd	13,91,808	11.60	-	13,91,808	11.60	-	-
3	C P Rangachar	84,400	0.70	-	84,400	0.70	-	-
4	Vidya Rangachar	16,000	0.13	-	16,000	0.13	-	-
5	Madhuri Rangachar	8,000	0.07	-	8,000	0.07	-	-
	Total	63,00,208	52.50	-	63,00,208	52.50		-

(iii). Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Increased During the year	Decreased During the Year	Cumulative Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Yuken Kogyo Co., Ltd	48,00,000	40.00	-	-	48,00,000	40.00
2	Benefic Investment And Finance Company Pvt Ltd	13,91,808	11.60	-	-	13,91,808	11.60
3	C P Rangachar	84,400	0.70	-	-	84,400	0.70
4	Vidya Rangachar	16,000	0.13	-	-	16,000	0.13
5	Madhuri Rangachar	8,000	0.07	-	-	8,000	0.07
	Total	63,00,208	52.50	-	-	63,00,208	52.50

Note: There is no changes in the Promoter's shareholding during the financial year 2019-20.

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the Year	Shareholding at the end year	
		No of Shares	% of total shares of the Company					No of Shares	% of total shares of the Company
1	GKK CAPITAL MARKETS PRIVATE LIMITED	-	-	01/04/2019	Opening Balance		-	4,26,500	3.55
				01/11/2019	1,17,699	Purchase	1,17,699		
				08/11/2019	59,000	Purchase	1,76,699		
				15/11/2019	56,200	Purchase	2,32,899		
				22/11/2019	(2,32,899)	Sale	-		
				21/02/2020	2,500	Purchase	2,500		
				28/02/2020	(2,298)	Sale	202		
				13/03/2020	(202)	Sale	-		
				27/03/2020	4,26,500	Purchase	4,26,500		
				31/03/2020	Closing Balance		4,26,500		
2	FAZAL NABI SHAIK	-	-	01/04/2019	Opening Balance		-	2,15,000	1.79
				11/10/2019	59,900	Purchase	59,900		
				18/10/2019	1,55,000	Purchase	2,14,900		
				25/10/2019	100	Purchase	2,15,000		
				31/03/2020	Closing Balance		2,15,000		
3	ANIL BHAVANJI SHAH	2,03,952	1.70	01/04/2019	Opening Balance		2,03,952	2,03,952	1.70
				31/03/2020	Closing Balance		2,03,952		
4	KCP SUGAR AND INDUSTRIES CORPORATION LIMITED	1,88,864	1.57	01/04/2019	Opening Balance		1,88,864	1,88,864	1.57
				31/03/2020	Closing Balance		1,88,864		
5	FAZAL NABI SHAIK	5,727	0.05	30/03/2019	Opening Balance		5,727	1,46,992	1.22
				20/09/2019	3,02,964	Purchase	3,08,691		
				30/09/2019	(3,08,691)	Sale	-		
				08/11/2019	1,44,669	Purchase	1,44,669		
				31/03/2020	2,323	Purchase	1,46,992		
				31/03/2020	Closing Balance		1,46,992		
6	GEETA CHETAN SHAH	-	-	01/04/2019	Opening Balance		-	1,33,608	1.11
				26/04/2019	40,000	Purchase	40,000		
				10/05/2019	25,000	Purchase	65,000		
				26/07/2019	(65,000)	Sale	-		
				23/08/2019	85,000	Purchase	85,000		
				15/11/2019	28,608	Purchase	1,13,608		
				22/11/2019	20,000	Purchase	1,33,608		
				31/03/2020	Closing Balance		1,33,608		
7	SALIM PYARLI GOVANI	1,35,284	1.13	01/04/2019	Opening Balance		135,284	1,22,584	1.02
				31/12/2019	(2,700)	Sale	1,32,584		
				31/03/2020	(10,000)	Sale	1,22,584		
				31/03/2020	Closing Balance		1,22,584		
8	TEJAS VIDYADHARA RAO SETHI	1,08,000	0.90	01/04/2019	Opening Balance		1,08,000	1,08,000	0.90
				31/03/2020	Closing Balance		1,08,000		
9	SHIVSWAROOP GUPTA (HUF)	93,268	0.78	01/04/2019	Opening Balance		93,268	93,268	0.78

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the Year	Shareholding at the end year	
		No of Shares	% of total shares of the Company					No of Shares	% of total shares of the Company
				31/03/2020	Closing Balance		93,268		
10	EVERMORE STOCK BROKERS PRIVATE LIMITED	-	-	01/04/2019	Opening Balance		-	88,489	0.73
				17/01/2020	88,489	Purchase	88,489		
					Closing Balance		88,489		

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	DPID	Folio / Client-Id	Shareholding at the beginning of the year	Increased During the year	Decreased During the Year	Cumulative Shareholding during the Year	
				No. of shares			No. of shares	% of total shares of the Company
1	C P Rangachar	IN300360	21003688	84,400	-	-	84,400	0.70
2	Vidya Rangachar	IN300360	21003670	16,000	-	-	16,000	0.13
3	H M Narasinga Rao	-	YIL009000 & YIL011597	1,800			1,800	0.02
	Total			1,02,200	-	-	1,02,200	0.85

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Rs. in lakhs

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,660.64	1,280.00	-	8,940.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.42	-	1.42
Total (i+ii+iii)	7,660.64	1,281.42	-	8,942.06
Change in Indebtedness during the financial year				
Addition	2,300.16	-	-	2,300.16
Deletion	(531.70)	(770.82)	-	(1,302.52)
Net Change	1,768.46	(770.82)	-	997.64
Indebtedness at the end of the financial year				
i) Principal Amount	9,429.10	509.18		9,938.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.18	0.15	-	11.33
Total (i+ii+iii)	9,440.28	509.33	-	9,949.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Total Amount (in Rs.)
1	Name	C P Rangachar – Managing Director
2	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,23,876
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
3	Stock Option	-
4	Sweat Equity	-
5	Commission	
	- as % of profit 1%	-
	- others, specify	-
6	Others: Contribution to Superannuation fund, PF and Insurance other funds	12,96,000
	Total (A)	69,19,876
	Ceiling as per the Act: In the scale of Rs. 350,000/- to Rs. 700,000/- per month as per the provisions of the Companies Act, 2013 and as approved by the shareholders.	

B. Remuneration to other Directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Names of Directors						Total Amount
		Mr. Hideharu Nagahisa	Mr. R Srinivasan	Capt. N S Mohanram	Dr. Premchander	Mr. Hidemi Yasuki	Mrs. Vidya Rangachar	
1	Independent Directors							
	Fee for attending board meetings	-	76,000	92,000	92,000	-	-	2,60,000
	▪ Committee meetings	-	96,000	108,000	1,28,000	-	-	3,32,000
	▪ Commission	-				-	-	
	▪ Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	1,72,000	2,00,000	2,20,000	-	-	5,92,000
2	Other Directors							
	Fee for attending board meetings	20,000	-	-	-	20,000	92,000	1,32,000
	▪ Committee meetings	-	-	-	-	-	-	-
	▪ Commission	37,916	37,917	37,917	37,917	37,916	37,917	2,27,500
	▪ Others, please specify	-	-	-	-	-	-	-
	Total (2)	57,916	37,917	37,917	37,917	57,916	37,917	3,59,500
	Grand Total=(1+2)	57,916	2,09,917	2,37,917	2,57,917	57,916	1,29,917	9,51,500

Notes:

- Remuneration to other Directors includes Sitting Fees and Commission.
- Overall Ceiling as per the Act: Sitting Fee - Rs. 100,000/- per Meeting and Commission maximum 1% of net profit of the Company.
- All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company, but considering the economic slowdown and COVID-19 pandemic impact on Company's Business, the Members of the Nomination and Remuneration Committee considered and approved for payment of 50% of the eligible amount of Commission for FY 2019-20. The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. K Gopalkrishna Executive Director	Mr. H M Narasinga Rao Chief Financial Officer	Mr. A Venkatakrishnan Chief Operating Officer	Mr. Vinayak Hegde Company Secretary	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51,45,342	43,45,092	25,06,092	5,47,785	1,25,44,311
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	21,600	21,600	21,600	-	64,800
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others: Contribution to Superannuation fund, PF and Insurance	4,87,620	3,95,280	2,64,060	44,388	11,91,348
	Total	56,54,562	47,61,972	27,91,752	5,92,173	1,38,00,459

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review, no penalty was levied against the Company, its Directors or any of its Officers under the Companies Act, 2013 and also there was no punishment or compounding of offences against the Company, its Directors or any of its Officer.

Place: Bengaluru
Date: 27th June, 2020

C P Rangachar
Managing Director
(DIN: 00310893)

For and on behalf of the Board of Directors
Capt. N S Mohanram **R Srinivasan**
Director Director
(DIN: 02466671) (DIN: 00043658)

Annexure - 2

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

Rs. In lakhs

Sl. No.	Particulars	Details			
1	Name of the subsidiary	Grotek Enterprises Private Limited	Coretec Engineering India Private Limited	Yuflow Engineering Private Limited	*Kolben Hydraulics Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 st April, 2019 to 31 st March, 2020	01 st April, 2019 to 31 st March, 2020	01 st April, 2019 to 31 st March, 2020	01 st April, 2019 to 31 st March, 2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share capital	501.00	361.96	200.00	100.06
5	Reserves & surplus	(220.06)	8.58	(688.12)	(152.26)
6	Total assets	4,582.24	3645.87	130.60	285.73
7	Total Liabilities	4,582.24	3645.87	130.60	285.73
8	Investments	-	-	-	-
9	Turnover & other income	4,613.18	2410.07	11.83	476.39
10	Profit /(Loss) before taxation	(33.38)	(169.68)	(48.71)	(112.72)
11	Provision for taxation	8.64	9.97	-	37.22
12	Other comprehensive income for the year	(0.12)	(0.43)	-	-
13	Profit/(loss) after taxation including other comprehensive income	(24.87)	(160.14)	(48.71)	(75.50)
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%	100%	100%	85.92%

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

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year – NA

* Note: with effective from 01.07.2019 Kolben Hydraulics Limited became a Subsidiary of Yuken India Limited.

PART "B" ASSOCIATES AND JOINT VENTURES

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

Rs. In lakhs (except shares)

Name of associates	Sai India Ltd	Bourton Consulting (India) Pvt. Ltd.
1. Latest audited Balance Sheet Date	31 st March, 2020	31 st March, 2020
2. Shares of Associate held by the Company on the year ended 31 st March, 2020	3,60,000	37,300
Amount of Investment in Associates	20.00	3.73
Extent of Holding%	40%	29.54%
3. Description of how there is significant influence	1. Holding 40% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.	1. Holding 29.54% stake in the Associate Company 2. Managing Director of the Company is a Director in the Associate Company.
4. Reason why the associate is not consolidated	NA	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	429.03	5.19
6. Profit/ (Loss) for the year including comprehensive income	37.16	(3.96)
i. Considered in Consolidation	14.86	(1.17)
ii. Not Considered in Consolidation	22.30	(2.79)

1. Names of associates or joint ventures which are yet to commence operations -NA.
2. Names of associates or joint ventures which have been liquidated or sold during the year - NA.

Place: Bengaluru
Date: 27th June, 2020

C P Rangachar
Managing Director
(DIN: 00310893)

For and on behalf of the Board of Directors
Capt. N S Mohanram Director (DIN: 02466671)
R Srinivasan Director (DIN: 00043658)

Annexure - 3**FORM AOC-2**

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

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

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

All related party transactions are in the ordinary course of business and on arm's length basis and approved by Audit Committee of the Company. Please refer transactions reported in Note No. 44 of the Notes forming part of the standalone financial statements in the Annual Report.

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

Place: Bengaluru
Date: 27th June, 2020

C P Rangachar
Managing Director
(DIN: 00310893)

Capt. N S Mohanram
Director
(DIN: 02466671)

R Srinivasan
Director
(DIN: 00043658)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES ("CSR") ACTIVITIES:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
 - The main objectives of Yuken India Limited ("YIL") CSR Policy is to ensure an increased commitment at all levels in the Organization to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of the stakeholders. And to directly or indirectly take up programs that benefit the communities over a period of time, in enhancing the quality of life and economic wellbeing of the society.
 - The projects undertaken during the financial year 2019-20 are within the broad framework of Schedule VII of the Companies Act, 2013. Company's Corporate Social Responsibility policy is available in Company website in below mentioned link.
<http://www.yukenindia.com/wp-content/uploads/2019/02/CSR-Policy.pdf>

2. The Composition of the CSR Committee.

Sl. No.	Name	Designation
1	Dr. Premchander	Chairman – Independent Director
2	Mr. C P Rangachar	Member - Managing Director
3	Mr. R Srinivasan	Member - Independent Director

3. Average net profit of the Company for last three financial years: Rs. 953.65 Lakhs.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 19.07 Lakhs
5. Details of CSR spent during the financial year.
 - i. Total amount spent for the financial year: Rs. 7.33 lakhs
 - ii. Amount unspent, if any: Rs. 11.75 lakhs
 - iii. Manner in which the amount spent during the financial year is detailed below:

Amount in Rs.

Sl. No.	CSR Project Or Activity Identified	Sector in Which the Project is Covered	Projects Or Programs (1) Local area or other (2) State and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects Or Programs Sub head: (1) Direct Expenditure on projects or programs	Cumulative Expenditure up to the reporting period	Amount spent: Through Direct/ implementing agency
1	Contribution towards Education: Providing CC Cameras & Steel vessels for school canteen	Promotion of Education	Hosur, Tamil Nadu	92,695	92,695	92,695	Govt High School Kothapalli Sevanganapalli Panchayath, Hosur Block - 635103
2	Contribution towards protection of our Culture	Protection of Art & Culture	Bengaluru, Karnataka	50,000	50,000	50,000	Heritage

Amount in Rs.

Sl. No.	CSR Project Or Activity Identified	Sector in Which the Project is Covered	Projects Or Programs (1) Local area or other (2) State and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects Or Programs Sub head: (1) Direct Expenditure on projects or programs	Cumulative Expenditure up to the reporting period	Amount spent: Through Direct/ implementing agency
3	Ensuring environmental sustainability, ecological balance: Distribution of 2500 dragon fruits plant to local farmers	Ensuring environmental sustainability, ecological balance	Malur, Kolar, Karnataka	4,40,000	4,40,000	4,40,000	Organization for Removing Regional Imbalances & Social Injustice in Society
4	Contribution towards protection of our Culture	Protection of Art & Culture	Bengaluru, Karnataka	50,000	50,000	50,000	Sri Rama Lalitha Kala Mandira
5	Contribution towards protection of our Culture	Protection of Art & Culture	Bengaluru, Karnataka	50,000	50,000	50,000	Vidwan R K Srikantan Trust
6	Contribution towards protection of our Culture	Protection of Art & Culture	Bengaluru, Karnataka	50,000	50,000	50,000	Sree Rama Seva Mandali Ramanavami Celebrations Trust
			Total	Rs. 7,32,695	Rs. 7,32,695	Rs. 7,32,695	

6. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report:

During the financial year, the Company has to spend Rs. 19.07 Lakhs as CSR expenditure. Out of that Rs. 7.33 lakhs spent in the various activities as per the provisions of Section 135 and comply with schedule VII of the Companies Act, 2013. Balance amount is Rs. 11.75 lakhs. The Company has identified the few projects in the first week of March, 2020, but due to COVID 19 Pandemic and lock down of the Country as per the Government directions, the money to be spent has been deferred. However, in the month of APR/MAY 2020 the Company has contributed Rs. 3 lakhs towards COVID -19 Pandemic relief.

Members of CSR Committee and Board of Directors approved to carry forward the balance CSR amount aggregating to Rs. 11.75 lakhs for the next financial year 2020-21. Further, the Company has identified certain CSR projects such as construction of toilets in local Government primary school, construction of drinking water unit at Choodagondahalli village, Malur Taluk and construction of solar panel in Vishranthi Children's Home, which is to be undertaken in the FY 2020-21, estimated outlay is approx. Rs. 15 lakhs.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby declare that the implementation and monitoring of CSR policy is in compliance with the CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Place: Bengaluru Date: 27 th June, 2020	C P Rangachar Managing Director (DIN: 00310893)	Capt. N S Mohanram Director (DIN: 02466671)	R Srinivasan Director (DIN: 00043658)	Dr. Premchander Director & Chairman of CSR Committee (DIN: 02278652)
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FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2020

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

To,

The Members,

Yuken India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Yuken India Limited for the financial year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during Audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during Audit Period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during Audit Period)and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during Audit Period)
6. Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015

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

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

- (d) The Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976
- (e) The Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- (f) Employees' State Insurance Act, 1948
- (g) Maternity Benefits Act 1961
- (h) Weekly Holidays Act, 1942
- (i) The Payment of Gratuity Act, 1972
- (j) The Payment of wages Act, 1936
- (k) The Trade Mark Act, 1999
- (l) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

WE FURTHER REPORT THAT

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

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

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

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

We further report that during the audit period the Company has taken following major action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Amendment in Article of association regarding Right of Foreign Collaborators to Appoint Directors.
2. Approve Postal Ballot Notice to amend the Articles of Association of the Company.
3. Re-Appointment of Managing Director.

For Joseph & Chacko LLP
Company Secretaries

Binoy Chacko

FCS No.: 4792

CP No.: 4221

Place: Bangalore

Date: 25th June, 2020

UDIN: F004792B000380024

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

'Annexure A'

To,
The Members

Yuken India Limited

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

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

For Joseph & Chacko LLP
Company Secretaries

Binoy Chacko

FCS No.: 4792

CP No.: 4221

UDIN: F004792B000380024

Place: Bangalore

Date: 25th June, 2020

Annexure - 6

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY:

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

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

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

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

BOARD OF DIRECTORS:

Our Board critically oversees Company's strategies, policies, operations and risk management and ensures that all the aspects of Corporate Governance are complied with from time to time.

Composition:

The Board comprises of Executive and Non-Executive Directors who are eminent persons with considerable professional experience in various fields. There is one Executive Director, viz., Mr. C P Rangachar, Managing Director. All the other Directors are Non-Executive

Directors. Among the Non-Executive Directors, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, Mr. Kenichi Takaku and Mrs. Vidya Rangachar are Non-Executive & Non-Independent Directors and Mr. R Srinivasan, Capt. N S Mohanram and Dr. Premchander are Non-Executive & Independent Directors.

During the year under review, Mr. Hidemi Yasuki was appointed as an Additional Director on 19th July, 2019 and re-designated as Director on 03rd September, 2019 and Mr. Koichi Oba was resigned for the post of Directorship with effect from 19th July, 2019.

Capt. N S Mohanram as Non – Executive & Independent Director was re-appointed for a term of 3 years with effect from 03rd September, 2019 and Mr. R Srinivasan and Dr. Premchander are Non-Executive & Independent Directors re-appointed for a term of 5 years with effect from 03rd September, 2019.

Further, at the Board meeting held on 08th February, 2020, Mr. C P Rangachar – Managing Director was re -appointed for a period of 5 years with effect from 01st May, 2020 to 30th April, 2025.

Mr. Kenichi Takaku has been appointed as an Additional Director with effective from 09th May, 2020.

Further, there is no any pecuniary relationship/transaction with any of the Non-Executive Independent Directors of the Company. Further all Independent Directors fulfill the Criteria as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attendance at the meetings of the Board of Directors during the year and at the last Annual General Meeting, the number of Directorships and Committee Memberships held by them in domestic public and Private Companies by each Director as at 31st March, 2020 are as indicated below:

Sl. No.	Name of the Director	Whether Promoter/Collaborator/ Executive/Non-Executive/Independent/ Non-Independent	Attendance		LoA (3)	No. of outside Directorships held (1)	Committees Membership/ Chairmanship in other companies (2)	
			Board Meetings	Last AGM			Member	Chairman
1	Mr. Hidemi Yasuki Chairman & Director w.e.f. 19.07.2019	Non-Executive & Non-Independent, Director (Collaborator)	1	Yes	Yes	-	-	-
2	Mr. Hideharu Nagahisa	Non-Executive & Non-Independent Director (Collaborator)	1	Yes	Yes	-	-	-
3	Mr. Koichi Oba Director up to 19.07.2019	Non-Executive & Non-Independent, Director (Collaborator)	-	NA	Yes	-	-	-
4	Mr. R Srinivasan	Non-Executive & Independent Director	4	Yes	Yes	6	3	5
5	Capt. N S Mohanram	Non-Executive & Independent Director	5	Yes	NA	-	-	-
6	Dr. Premchander	Non-Executive & Independent Director	5	Yes	NA	1	-	-
7	Mr. C P Rangachar	Executive & Non-Independent Director (Promoter)	5	Yes	NA	8	1	1
8	Mrs. Vidya Rangachar	Non-Executive & Non-Independent Director (Promoter)	5	Yes	NA	1	-	-
9	Mr. Kenichi Takaku – Additional Director w.e.f 09.05.2020	Non-Executive & Non-Independent Director (Collaborator)	NA	NA	NA	-	-	-

Notes:

- No. of outside Directorships includes Private Limited Companies and excludes Companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend). None of the Directors of the Company hold independent directorships in more than 7 listed Companies.
- Chairmanship/Membership of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee in other Public Companies have been considered. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.
- LOA – Leave of Absence.
- All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

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

<http://www.yukenindia.com/wp-content/uploads/2015/12/Familiarization-Programme-for-Independent-Directors.pdf>

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

Sl. No.	Name of the Listed Company	Category (Director / Independent Director / Whole Time Director)
1	Mr. R Srinivasan	
	Sundram Fasteners Limited	Independent Director
	TTK Prestige Limited	Independent Director
2	Mr. C P Rangachar	
	Natural Capsules Limited	Independent Director

Further, Capt. N S Mohanram, Dr. Premchander, Mr. Hideharu Nagahisa, Mr. Hidemi Yasuki, Mr. Kenichi Takaku and Mrs. Vidya Rangachar do not hold any directorship in the listed entities other than Yuken India Limited.

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

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

- Technical skills in the area of Manufacturing Sector.

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

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

Sl. No.	Name of the Directors	LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES				
		Technical skills	International Business experience	Sales & Marketing	Finance and Accounting Experience	General Management Experience
1	Mr. C P Rangachar	√	√	√	√	√
2	Mr. R Srinivasan	√	√	√	√	√
3	Capt. N S Mohanram	√	√	√	√	√
4	Dr. Premchander	-	√	√	√	√
5	Mrs. Vidya Rangachar	-	-	√	-	√
6	Mr. Hideharu Nagahisa	√	√	√	√	√
7	Mr. Hidemi Yasuki	√	√	√	-	√
8	Mr. Kenichi Takaku	√	√	√	√	√

Board Meetings:

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

During the financial year 2019-20, our Board met 5 (Five) times viz., on 28th May, 2019, 10th August, 2019, 03rd September, 2019, 12th November, 2019, 08th February, 2020.

In addition, a separate meeting of the Independent Directors was held on 12th November, 2019. The performance evaluation of the Chairman and Non-Executive Independent Directors was carried out by Independent Directors.

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

AUDIT COMMITTEE:

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

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

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

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

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

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

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statements and the auditors' report thereon;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems; and

- Monitoring the end use of funds raised through public offers and related matters.

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

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

As at the year end, the Audit Committee comprises of Capt. N S Mohanram as the Chairman and Mr. R Srinivasan, Dr. Premchander, Mr. C P Rangachar as the Members. While Capt. N S Mohanram, Mr. R Srinivasan and Dr. Premchander are Non-Executive & Independent Directors and Mr. C P Rangachar is an Executive Director.

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

During the year, 4 (four) meetings of the Audit Committee were held, the dates being 28th May, 2019, 10th August, 2019, 12th November, 2019 and 08th February, 2020. The composition of Audit Committee as at 31st March, 2020 and the attendance of the members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Capt. N S Mohanram	4	4
2	Mr. R Srinivasan	4	3
3	Mr. C P Rangachar	4	4
4	Dr. Premchander	4	4

The Chairman of the Audit Committee, Capt. N S Mohanram was present at the Annual General Meeting held on 03rd September, 2019.

NOMINATION AND REMUNERATION COMMITTEE:

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

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

The Nomination and Remuneration Committee comprises with three Non-Executive and Independent Directors viz., Mr. R Srinivasan as Chairman and Capt. N S Mohanram and Dr. Premchander as members. During the financial year 2019-20, there are 2 (Two) Nomination and Remuneration Committee meetings held on 28th May, 2019 and 08th February, 2020 and the proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

The attendance of the members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Mr. R Srinivasan	2	1
2	Capt. N S Mohanram	2	2
3	Dr. Premchander	2	2

The Chairman of the Nomination and Remuneration Committee Mr. R Srinivasan was present at the Annual General Meeting held on 03rd September, 2019.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is authorized to:

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

authenticate share certificates and to take action in relation to shareholders related matters.

The Stakeholders Relationship Committee was constituted with Dr. Premchander –Non-Executive & Independent Director as Chairman, Mr. C P Rangachar – Executive Director, Mrs. Vidya Rangachar – Non - Executive Director and Mr. H M Narasinga Rao, CFO & Vice President-Finance as the members and Mr. Vinayak Hegde- Company Secretary of the Company to look into the issues pertaining to share transfers and stakeholders' grievances.

During the year, 4 (Four) meetings of the Stakeholders Relationship Committee were held, viz., on 17th July, 2019, 03rd September, 2019, 26th September, 2019 and 25th February, 2020. The proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

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

Sl. No.	Name of the Member	No. of Meetings held during the year	No. of Meetings attended during the year
1	Dr. Premchander	4	4
2	Mr. H M Narasinga Rao	4	4
3	Mr. C P Rangachar	4	4
4	Mrs. Vidya Rangachar	4	4

The Chairman of the Stakeholders Relationship Committee Dr. Premchander was present at the Annual General Meeting held on 03rd September, 2019.

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

Sl. No.	Nature of Complaints	Received	Addressed	Pending
1	Non-receipt of dividend warrants	8	8	-
2	Non-receipt of securities	5	5	-
3	Non-receipt of Annual reports	-	-	-
4	Complaints from Stock Exchanges / SEBI	-	-	-
	Total	13	13	-

RISK MANAGEMENT COMMITTEE:

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

1. Dr. Premchander – Chairman
2. Mr. C P Rangachar – Member
3. Mr. A Venkatakrishnan – Member

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

strategic and environmental risks. However, provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Risk Management is not applicable to Company.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE:

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

1. Dr. Premchander – Chairman
2. Mr. C P Rangachar – Member and
3. Mr. R Srinivasan – Member.

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

During the year, 1 (one) meeting of the CSR Committee was held on 28th May, 2019. The proceedings of the Meeting of the Committee are reported in the Board Meetings for the Board to take note thereof.

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

<http://www.yukenindia.com/wp-content/uploads/2019/02/CSR-Policy.pdf>

CODE OF CONDUCT:

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to all the Directors, Senior Management and employees of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and exemplary personal conduct. The code of conduct is available on the Company's corporate website. All the Board members and Senior Management of the Company have affirmed their compliance with the Code of Conduct for the financial year ended 31st March, 2020. A Certificate to this effect, duly signed by the Managing Director is annexed hereto. Code of Conduct of the Company is available in its website:

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

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

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

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

SUBSIDIARY COMPANIES:

The Company have following Subsidiaries:

Sl. No.	Name of the Company	Status
1	Grotek Enterprises Private Limited	Wholly owned and Material Subsidiary
2	Coretec Engineering India Private Limited	Wholly owned Subsidiary
3	Yuflow Engineering Private Limited	Wholly owned Subsidiary
4	Kolben Hydraulics Limited, w.e.f from 01.07.2019.	Subsidiary

The Audit Committee reviews financial statements, particularly, the capital investments made by the Company's un-listed subsidiary Companies. The minutes of unlisted subsidiary Companies have been placed before the Board. The accounts of all subsidiary Companies are placed before the Board on a regular basis and the attention of the Directors is drawn to all significant transactions and arrangements entered into or by the subsidiary Companies. The policy relating to Policy-on-Material-Subsidiary-Companies is available in Company website:

<http://www.yukenindia.com/wp-content/uploads/2019/02/Policy-on-Material-Subsidiary-Companies.pdf>

DISCLOSURES:

(A) Related Party Transactions:

During the financial year 2019-20, besides the transactions reported in Note No. 44 of the Notes forming part of the financial statements in the Annual Report, there were no other material related party transactions. These transactions do not have any potential conflict with the interests of the Company at large.

However, all the transactions with related parties were in the ordinary course of business and on arm's length basis. All the Related Party Transactions have been approved by the Audit Committee and the Board in compliance with the provisions of Section 188 of the

Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy relating to related party transaction is available in Company website:

<http://www.yukenindia.com/wp-content/uploads/2019/02/Related-Party-Transactions-Policy.pdf>

(B) Disclosure of accounting treatment:

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

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

The Company has not raised any capital during the year ended 31st March, 2020.

(D) Remuneration of Directors:

Mr. C P Rangachar, Managing Director is in receipt of salary in the scale of Rs. 350,000 – Rs. 700,000 with authority to Board to fix the annual increments.

Details of remuneration paid/payable to the Managing Director, during the year, 2019-20 is as under*.

Rs. In lakhs

Name	Salary	Value of Perquisites	Contribution to Provident & Superannuation Fund	Leave encashment	Total
Mr. C P Rangachar	48.00	4.24	12.96	04.00	69.20

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

- No stock options have been issued to the Managing Director.
- Commission payable to the Directors is calculated based on the net profits of the Company in particular financial year and is determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.
- Commission is the only component of remuneration, which is performance linked and the other components are fixed.
- No Stock Options have been issued to the Independent Directors. The compensation of the Non-Executive Directors not exceeding 1% of the net profits of the Company so long as the Company has a Whole-time Director and / or Managing Director, as recommended by the Nomination & Remuneration Committee and Board of Directors and approved by the shareholders.

Details of sitting fees and commission payable to Non-Executive Directors for FY 2019-20 are given below:

Amount in Rs.

Sl. No.	Name of the Director	Sitting fees	Commission	Total
1	Mr. Hideharu Nagahisa	20,000	37,916	57,916
2	Mr. Hidemi Yasuki	20,000	37,916	57,916
3	Capt. N S Mohanram	2,00,000	37,917	2,37,917
4	Mr. R Srinivasan	1,72,000	37,917	2,09,917
5	Dr. Premchander	2,20,000	37,917	2,57,917
6	Mrs. Vidya Rangachar	92,000	37,917	1,29,917
	Total	7,24,000	2,27,500	9,51,500

All Non-Executive and Independent Directors are eligible for Commission of 1% on the Net profit of the Company, but considering the economic slowdown and COVID-19 pandemic impact on Company's Business, the Members of the Nomination and Remuneration Committee considered and approved for payment of 50% of the eligible amount of Commission for FY 2019-20. The Net profit is calculated as per the provisions of Section 198 of the Companies Act, 2013.

Mrs. Vidya Rangachar, a Director, holds 16,000 equity shares of Rs. 10/- each in the Company and the Company has paid the rent of Rs. 1.80 lakhs for the year ended 31st March, 2020. There is no notice period and severance pay. No stock options have been issued to any

of the Directors.

(E) Management Discussion and Analysis:

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

CEO/CFO CERTIFICATION:

The Managing Director being the Chief Executive Officer (CEO) and the Vice President – Finance being the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2020, which is annexed hereto.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Binoy Chacko (CP No. 4221), Partner of M/s. Joseph & Chacko LLP, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory. Copy of Certificate is annexed hereto.

GENERAL BODY MEETINGS:

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

Year	Date & Time	Special Resolution passed	Location
2016-17	05 th September, 2017 10.00 am	NA	Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bengaluru – 560025.
2017-18	04 th September, 2018 10.00 am	Amendment in Article 4 of Articles of Association of the Company regarding share capital.	Woodlands Hotel Pvt. Ltd., No.5, Raja Ram Mohan Roy Road, Bengaluru – 560025.
2018-19	03 rd September, 2019 10.00 am	<ol style="list-style-type: none"> To Re-appoint Capt. N S Mohanram as an Independent, Non - Executive Director of the Company for a term of 3 years. To Re-appoint Mr. R. Srinivasan as an Independent, Non - Executive Director of the Company for a term of 5 years. To Re-appoint Dr. Premchander as an Independent, Non - Executive Director of the Company for a term of 5 years. To approve the payment of remuneration to Non-Executive Directors. 	Hotel Ajantha, "Rohini Hall", 22-A, Mahatma Gandhi Road, Near Trinity Metro Station, Bengaluru – 560 001

POSTAL BALLOT:

During the year under review, the Company approached the shareholders through Postal Ballot w.r.t Amendment in Article 101 of Articles of Association of the Company regarding Right of Foreign Collaborators to appoint Directors. The Details as follows:

Sl. No.	Particulars	Dates
1	Date of Postal Ballot Notice	08 th February, 2020
2	Voting Period	26 th February, 2020 to 26 th March, 2020
3	Date of Approval	04 th May, 2020
4	Date of Declaration of Result	04 th May, 2020

Mr. Abhishek Bharadwaj A B, a practicing Company Secretary, appointed as scrutinizer for conducting the postal ballot / e-voting process. Based on his report the result were announced 04th May, 2020. The below mentioned special resolution was passed with requisite majority. Accordingly, voting results were communicated to Stock Exchange and uploaded Company's website <http://www.yukenindia.com/>.

Name of the resolution	Type of resolution	No of Votes polled	Votes cast in favour		Votes cast against	
			No of Votes	% of votes	No of Votes	% of votes
Amendment in Article 101 of Articles of Association of the Company regarding Right of Foreign Collaborators to appoint Directors.	Special Resolution	65,24,907	65,22,814	100	4	-

Note: Invalid votes is 2089.

MEANS OF COMMUNICATION:

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

The quarterly financial results are being published in the Financial Express (English) and Hosa Digantha (Kannada) newspapers. The financial results were also hosted in the Company's website: <http://www.yukenindia.com/>. No presentation has been made to Institutional Investors or to Analysts.

GENERAL SHAREHOLDER INFORMATION:

a. 44th Annual General Meeting	
Day, date and time	Thursday, 24 th September, 2020 at 10.00 AM (IST)
Venue	The Company is conducting meeting through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM").
b. Financial Calendar	
i) Financial Year	April to March
ii) First Quarter Results	August
iii) Second Quarter Results	November
iv) Third Quarter Results	February
v) Year end Results	May
c. Date of Book Closure	18 th September, 2020 to 24 th September, 2020 (both days inclusive)
d. Proposed Dividend	6% on equity shares
e. Dividend Payment Date	30 days from the date of AGM
f. Listing of Equity Shares	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 522108 Ahmedabad Stock Exchange Limited Kamadhenu Complex, Opposite - Sahajanand College, Panjarapole, Ahmedabad - 380015. Scrip Code: 68030
g. Listing Fee	Annual listing fee for the financial year 2020-21 paid to the Stock Exchanges.
h. Depository Fee	Annual custody fee for the financial year 2020-21 paid to the depositories.
i. Corporate Identity Number	L29150KA1976PLC003017
j. Details of Registrar and Share Transfer Agents:	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Unit: Yuken India Limited Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Phone: (040) 6716 1500/1592/1509/1508 E Mail Id: Einward.ris@karvy.com

k. Market Price Data:

High – Low market price data during each month in the year 2019-20 at BSE Ltd. is furnished below:

Sl. No.	Month	High	Low
1	APR	768.00	680.00
2	MAY	780.00	700.00
3	JUN	770.00	640.10
4	JUL	684.90	431.00
5	AUG	549.00	425.00

Sl. No.	Month	High	Low
6	SEP	584.50	475.00
7	OCT	583.90	496.00
8	NOV	597.00	515.25
9	DEC	538.00	470.00
10	JAN	540.00	472.00
11	FEB	569.25	451.50
12	MAR	519.80	211.45

Note: There was no trading in the Ahmedabad Stock Exchange Ltd. during the year ended 31st March, 2020 since the stock exchange is under the process of de-recognition.

I. Share Transfer System:

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

The Company's Registrar and Share Transfer Agents M/s. KFin Technologies Private Limited, Hyderabad, have adequate infrastructure to process the share transfers/transmission. The Committee meets to approve the transfers etc., as may be required by the Registrars and Share Transfer Agents. In compliance with the Listing regulations, a Practicing Company Secretary audits the system every half-year and a certificate to that effect is issued and the same is submitted to the Stock Exchanges.

The Company has not issued any ADRs / GDRs / Warrants or any Convertible Instruments. The Company had no transfer of shares pending as on 31st March, 2020.

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

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

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

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

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

n. Distribution Schedule – Consolidated as on 31.03.2020:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
0 – 5000	5,360	86.28	6,71,374	67,13,740	5.59
5001 – 10000	354	5.70	2,74,351	27,43,510	2.29
10001 – 20000	239	3.85	3,66,620	36,66,200	3.06

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
20001 – 30000	54	0.87	1,36,145	13,61,450	1.13
30001 – 40000	48	0.77	1,80,650	18,06,500	1.51
40001 – 50000	16	0.26	74,774	7,47,740	0.62
50001 – 100000	60	0.97	4,32,709	43,27,090	3.61
100001 & Above	81	1.30	98,63,377	9,86,33,770	82.19
Total	6,212	100.00	1,20,00,000	12,00,00,000	100

o. Plant location:

The Company's main plant is located at Bengaluru and Malur, near Bengaluru, Karnataka.

p. Address for communication:

Registrar & Share Transfer Agents (RTA) (matters relating to Shares, Dividends, Annual Reports)	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Unit: Yuken India Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Phone: (040) 6716 1592/1509/1508 E Mail Id: Einward.ris@karvy.com
For any other general matters or in case of any difficulties/grievances	Vinayak Hegde Company Secretary & Compliance officer Yuken India Limited PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka, India. PIN - 563130. PH: +91- 9731610341 E-Mail: vinayak.hegde@yukenindia.com yilinfo@yukenindia.com,hmn_rao@yukenindia.com
Website address	www.yukenindia.com
Email ID of Investor Grievances Section	vinayak.hegde@yukenindia.com
Name of the Compliance Officer	Vinayak Hegde – Company Secretary

q. Shareholding Pattern as on 31st March, 2020:

Category	No. of shares held	Percentage of Shareholding
Promoters' holding	63,00,208	52.50
Mutual Funds / UTI	2,000	0.02
Private Corporate Bodies	13,12,937	10.94
Indian Public	39,56,130	32.97
HUF	1,83,909	1.53
NRIs/OCBs	80,385	0.67
Clearing Members	95,987	0.80
IEPF	68,444	0.57
Grand Total	1,20,00,000	100

r. Dematerialization of Shares:

Members are requested to convert their physical holdings demat/electronic form through the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Shares received for dematerialization are generally confirmed within maximum period of 21 days from the date of receipt, if the documents are clear in all respects. The number of shares held in dematerialized and physical mode as on 31st March, 2020 is as under:

Sl. No.	Description	No of shares issued	% of total capital
1	Held in dematerialized form in NSDL	88,54,423	73.79
2	Held in dematerialized form in CDSL	29,62,243	24.69
3	Physical	1,83,334	1.53
	Total	1,20,00,000	100

s. **Credit Rating:**

Company has obtained the Credit Rating Report from CARE Ratings Limited on 03rd October, 2019.

The ratings are as under:

Sl. No.	Facilities	Amount (Rs. lakhs)	Rating	Rating Action
1	Long-term Bank Facilities-Cash Credit	2200	CARE BBB; Stable (Triple B; Outlook: Stable)	Reaffirmed
2	Short-term Bank Facilities	700	CARE A3+ (A Three Plus)	Reaffirmed
	Total Facilities	2900	-	-

The Credit Rating Report is available in Company website:

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

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

1. **To Statutory Auditors:**

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

a. **Towards Audit Fees:**

Rs. In Lakhs		
Sl. No.	Particulars	Amount of Fees paid
1	Statutory audit including Audit of Internal Financial Control	12.00
2	Group Reporting	2.00
3	Quarterly Limited Review Report	9.25
4	Tax Audit	1.00
5	Reimbursement Expenditure	1.30
	Total	25.55

b. **Towards other services:**

Rs. In Lakhs		
Sl. No.	Particulars	Amount of Fees paid
1	Other Certification Charges	4.46
	Total	4.46

Note: above mentioned amounts is excluding necessary taxes/GST.

OTHER DISCLOSURES:

- A. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; No such cases in last three years.
- B. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee;

The whistle blower policy is available in Company website:

<http://www.yukenindia.com/wp-content/uploads/2019/11/Whistle-Blower-Policy-New.pdf>

Further, the Company hereby confirm that no personnel has been denied access to the audit committee.

C. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied the provisions as mentioned in SEBI (LODR) Regulation with respect to preparation of Corporate Governance Report.

D. Recommendations of Committees of the Board:

There were no instances during the financial year 2019-20, wherein the Board had not accepted recommendations made by any committee of the Board.

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

1. Audit qualifications:

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

2. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

DECLARATION ON CODE OF CONDUCT:

To,
The Members of
Yuken India Limited

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

Place: Bengaluru
Date: 27th June, 2020

For **Yuken India Limited**

C P Rangachar
Managing Director
(DIN: 00310893)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of,
Yuken India Limited

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

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

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

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

Sl. No.	DIN	Name of Director	Designation	DIN Status
1	00310893	Rangachar Padmanabhan Cattan Coletore	Managing Director	Approved
2	00043658	Srinivasan Rangarajan	Director	Approved
3	02278652	Premchander	Director	Approved
4	02466671	Needamangalam Srinivasan Mohanram	Director	Approved
5	02612252	Vidya Rangachar	Director	Approved
6	07913414	Hideharu Nagahisa	Director	Approved
7	08494981	Hidemi Yasuki	Director	Approved
8	08678898	Kenichi Takaku	Additional Director	Approved

2. We further certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority for the Financial Year ending on 31st March, 2020.

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

Binoy Chacko
Partner

FCS No. 4792 / COP No. 4221

Date: 25th June, 2020
Place: Bengaluru

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

To,
The Board of Directors,
Yuken India Limited

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - 1. significant changes in internal controls over financial reporting during the year;
 - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru
Date: 27th June, 2020

H M Narasinga Rao
Chief Financial Officer &
VP - Finance

C P Rangachar
Chief Executive Officer &
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Yuken India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 4th September, 2019.
2. We have examined the compliance of conditions of corporate governance by Yuken India Limited ('the Company') for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2020.

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

Restriction on use

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN: 20059139AAAABI9547

Place: Bengaluru

Date: 27th June, 2020

ANNEXURE -7

BUSINESS RESPONSIBILITY REPORT (BRR)

[Pursuant to Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Name of the Company:	YUKEN INDIA LIMITED ("YIL" or "The Company")	
2	Year of registration:	1976	
3	Corporate Identity Number (CIN) of the Company:	L29150KA1976PLC003017	
4	a. Registered office address.	NO. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bengaluru, Karnataka - 560 048 Contact No. 91 97316 10341, Email: hmn_rao@yukenindia.com vinayak.hegde@yukenindia.com Website: http://www.yukenindia.com/	
	b. Corporate office and factory.	PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District, Karnataka – 563 130.	
5	Financial Year reported:	2019-20	
6	Sector (s) the Company is engaged in (industrial activity code-wise)	NIC Code	Name and Description of main products / services
		2812	Hydraulic Pumps, Valves and Others
		2812	Hydraulic Power Units
7	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacture, sale and servicing of hydraulic equipment 1. Hydraulic Pumps 2. Valves 3. Hydraulic Power Units (Please refer to Company's website for complete list of products)	
8	Brands (top five by respective share of market) owned and percentage of revenue contributed:	Most the products of the Company are being sold under YUKEN brand. Certain indigenous (local) developed and manufactured products also sold under YIL Brand.	

Operations:		
9	<p>Location of plants (in case of manufacturing businesses)</p> <p>a. National (Districts and states - top five by employee strength):</p>	<p>Number of National Locations:</p> <p>A. Manufacturing Plants:</p> <ol style="list-style-type: none"> Malur – Near Bengaluru: PB No. 5, Koppathimmanahalli Village, Malur-Hosur Main Road, Malur Taluk, Kolar District – 563 130, Karnataka. Peenya – Bengaluru: B-80, 2nd Cross, 1st Stage, Peenya Industrial Area, Bengaluru – 560 058, Karnataka. Bahadurgarh – Haryana: O-10, Old Industrial Area, Near Civil Hospital, Bahadurgarh-124 507 – Haryana. Mumbai –Maharashtra: H-4, Ansa Industrial Premises, Sakivihar Road, Sakinaka, Andheri (E), Mumbai- 400 072, Maharashtra. <p>B. Zonal Sales and Service Offices:</p> <ol style="list-style-type: none"> North Zone – New Delhi: No. 26A, Community Center, Phase 1, Mayapuri Indl. Area, New Delhi- 110 064. South Zone- Bengaluru: B-80, 2nd Cross, 1st Stage, Peenya Industrial Area, Bengaluru – 560 058, Karnataka. East Zone – Kolkata: Indraprastha, 46A, Madan Mohan Malaviya Sarani, (Formerly Chakraberia Road- North) Kolkata- 700 020, West Bengal. West Zone – Mumbai H-4, Ansa Industrial Premises, Sakivihar Road, Sakinaka, Andheri(E), Mumbai- 400 072, Maharashtra.
	b. International (Country - top three by employee	NIL
10	<p>Location of major offices (in case of service businesses):</p> <p>a. National (Districts and states - top five by employee strength):</p> <p>b. International (Country - top three by employee strength):</p>	Not Applicable.
Employees:		
11	Number of permanent employees.	313
12	Contractual employees (seasonal, non-seasonal)	250
13	Temporary employees	
14	Percentage of women employees	6.38%
	a. On the Governance Structure:	NIL
	b. In top management i.e. business and function heads	NIL
15	Number of permanent women employees	20

16	Number of permanent employees with disabilities.	1
17	Do you have an employee association that is recognized by management?	Yes <ul style="list-style-type: none"> The Company has Trade Union, affiliated to Centre of Indian Trade Unions (CITU), representing the interest and welfare of all union employees.
18	What percentage of your permanent employees is members of this recognized employee association?	19% of permanent Employees.

Associate entities:

15	Name of subsidiaries / associates	A. Name of subsidiaries: <ol style="list-style-type: none"> Grotek Enterprises Private Limited Coretec Engineering India Private Limited Yuflow Engineering Private Limited Kolben Hydraulics Limited B. Name of Associates: <ol style="list-style-type: none"> Sai India Limited Bourton Consulting (India) Private Limited
16	Details of Trust/Society/Section 8 Company to further its CSR agenda: <ol style="list-style-type: none"> Name; Organization form (Trust, Society, Company) and year of establishment; Main objects/purpose 	Not Applicable
17	Contact details of Nodal Officer for this report.	Vinayak Hegde -Company Secretary PH: +91 97316 10341 E mail: vinayak.hegde@yukenindia.com

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Rs. in lakhs

1	Paid up Capital (INR)	1200.00
2	Total Income (INR)	20,789.52
3	Total profit after taxes (INR)	573.25
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of average net profits of the Company made during the three immediately preceding financial years. Please refer to Annexure- 4 part of the Board's Report.
5	List of activities in which expenditure in 4 above has been incurred: -	(a) Promotion of Education (b) Protection of Indian Art & Culture (c) Ensuring environmental sustainability, ecological balance. Please Refer to Annexure - 4 part of the Board's Report.

SECTION C: OTHER DETAILS

1	Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	Yes. The Company positively influences and encourages its subsidiaries to adopt Business Responsibility Initiatives. All the Company's subsidiaries are guided to conduct their business in an ethical, transparent and accountable manner.
2	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers/distributors to participate in the Company's Business Responsibility initiatives. However, they are encouraged to adopt such practice and follow the concept of being a responsible business entity. (Less than 30%)

SECTION D: BUSINESS RESPONSIBILITY INFORMATION:

1. Details of Director/Directors responsible for Business Responsibility Report:

Sl. No.	Particulars	Director	Business Responsibility Head
1	DIN	00310893	-
2	Name	C P Rangachar	A Venkatakrishnan
3	Designation	Managing Director	Chief Operating officer
4	Telephone	+91 97316 10341	+91 95919 98141
5	Email Id:	cp_rangachar@yukenindia.com	venkatakrishnan@yukenindia.com

2. Principle-wise (as per NVGs) Business Responsibility Policy/ policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) provide the following 9 (Nine) principles:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	YES	YES	YES	YES	YES	YES	YES	YES	YES
2	Has the policy being formulated in consultation with the relevant stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	YES	YES	YES	YES	YES	YES	YES	YES	YES
An ISO 9001:2015 Company All the policies of the Company are in compliance with national/International standards wherever applicable.										

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Mandatory policies viz., Code of Conduct, Whistle Blower Policy, CSR Policy, Insider Trading Policy, Nomination & Remuneration Policy have been adopted by the board and other internal policies have been approved by the management.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		The implementation and adherence to the code of conduct for employees is administered by the HR Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013 and other internal policies have been approved by the Management.								
6	Indicate the link for the policy to be viewed online?	Refer to the Whistleblower Policy, Code of Conduct.	NA	Refer to the Code of Conduct	Refer to the CSR Policy	Refer to the Code of Conduct	Refer to the CSR Policy	NA	Refer to the CSR Policy	NA
		Please refer our website http://www.yukenindia.com/corporate-governance-and-code-of-conduct								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		Internal policies have been communicated to all stakeholders to the extent applicable and the same are available on the Company's website. http://www.yukenindia.com/corporate-governance-and-code-of-conduct								
8	Does the Company have in-house structure to implement the policy/ policies.	YES	YES	YES	YES	YES	YES	YES	YES	YES
		Company have in-house structure to implement the policy/ policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	YES	YES	YES	YES	YES	YES	YES	YES	YES
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	YES	YES	YES	YES	YES	YES	YES	YES	YES
		The organization conducts periodic internal audits to determine whether the Quality Management System conforms to the requirements of ISO 9001:2015 and that the quality system has been effectively implemented and maintained.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility Report:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Managing Director and Senior Management reviews the Business Responsibility performance of the Company through their monthly review meetings. The action point emerged from the discussions at these meetings are reviewed in subsequent meetings.

The Board of Directors, committees of the Board, and the Managing Director assess the Business Responsibility performance of the Company from time to time.

Corporate Social Responsible (CSR) Committee of the Company is responsible for formulating and implementing and monitoring the CSR Policy of the Company. The Committee meets at least once in a year to review the progress of CSR Policy and projects.

- (b) Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report and it is published as part of the Annual Report for the financial year 2019-20.

<http://www.yukenindia.com/report-result/>

SECTION E: PRINCIPLE-WISE PERFORMANCE:

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? Yes

The Company acts with integrity in accordance with its core principles of Trust, Value and Service. YIL has adopted the separate code of conduct which specifically pertains to the Company's Directors, Senior Management- one level below the Directors and including all the functional heads.

Our corporate governance practices apply across the YIL and its subsidiaries and extend to our Associates, Suppliers, Customers and other stakeholders. Our Code of Conduct complies with the requirements of applicable laws and regulations, the code of conduct is devised to enable the Directors and Senior Management personnel to strive and to perform their duties with highest standards of integrity accountability, confidentiality and independence. A declaration of the Directors and Senior Management towards annual affirmation to the code of conduct is communicated to all stakeholders

by the Chairman and Managing Director, through the Annual Report.

YIL has a well-defined Code of Conduct (CoC) for its employees. All employees are provided a copy of the COC during induction / training. The COC is intended to guide the employees in treatment of each other, as well as their interaction with customers, suppliers, partners, public officials and other stakeholders.

YIL is also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices which is not in line with the CoC. The CoC, Whistle Blower Policy and their implementation are explained in detail under the Report of Board of Directors and the Corporate Governance Report.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year under review, the Company has not received any complaints with respect to violation of the Code of Conduct.

PRINCIPLE 2:

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (a) Kiriko Automatic Chip Compactor Machine:

YIL manufactures the Kiriko Automatic Chip Compactor Machine, which is a metal chip briquette machine. it processes all kind of ferrous and Non-ferrous scraps. Benefits of this machine are as under:

- This significantly reduces impact on environment and supports Green Manufacturing.
- Reduction of accidents in the factory leading to increase in productivity and reduces power consumption.
- Fumes & Blasts are reduced in the factory premises.

- (b) Power Saver Valves:

YIL manufactures the series of solenoid operated directional Power Saver Valves. These valves are specially designed to reduce power consumption. Standard Valves installed in machines can be retrofitted with interchangeable adapters and are designed to automatically reduce the power drawn by the valve solenoid.

(c) AC Servo Motor Driven Pump:

YIL is promoting & supplying the series of Electro-Hydraulic Hybrid Pumps. We are a leading supplier of hydraulic products for injection moulding machine. It has strength from both full electric and hydraulic machine, having excellent effect to “energy saving”, “high performance” and “high precision moulding”. The ultimate control system for injection moulding machine. In addition to our ASR3, ASR5 & ASR 10, we proudly announce new AC servo motor driven pump, ASE3, ASE5 & ASE10 in the series that is based on an original idea of Yuken Kogyo Company Limited, Japan. Benefits are as under:

- Low noise- meeting the level of noise as per the standard requirements.
- Reduces electrical noise by using environmentally friendly EMC filter.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We regularly focus on reduction and control the wastage of resources.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes. Power saver valves and servo motors can absorb many fluctuations of electrical and environmental parameters, to reduce the power consumptions.

3. Does the Company have procedures in place for sustainable sourcing (including and transportation)? If yes, what percentage of your inputs was sourced sustainably?

- Yes. The Company has taken initiatives to ensure sustainable sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages major suppliers to set up manufacturing facilities closer to YIL plant locations. The Company is close to industrial areas, where small and medium manufacturers situated.

YIL focuses on building and enhancing capabilities of the supply chain through training and support for improving productivity and quality. The training covers quality management, technology adoption, effective supply etc. YIL is conducting Cluster program to its selected vendors. Cluster Program is conducted by Confederation of Indian Industry (CII),

which aims at (a) improving the quality of products, supplied by the selected vendors in terms of Defects Per Unit (DPU) or Parts Per Million (PPM) and (b) Achieve the THIRD STEP- 3S (5 S methodology) on the shop floor.

Currently, YIL is buying around 40%- 50% of its requirements through local sources/MSME Vendors and smaller manufacturers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Products - Scraps:

The Company has adopted the policy for recycling the iron scrap. One of our subsidiary Company engaged in foundry business uses the scrap generated, in the manufacture of iron castings. (90%)

Waste:

1. The Company has appointed authorized Agencies for disposal of Industrial waste. (100%)
2. The Company has installed Kiriko Chip Compact Machine in premises to compact the metal scrap (overall 80%)
3. Constructed the Sewage treatment plant for the purpose of waste water treatment and recycled water is used for gardening in the factory premises. (overall 80%)
4. The Company is using the recyclable packing materials. (overall 50%)
5. Recycling the canteen food waste and convert to compost. (100%)
6. Constructed the effluent treatment plant to clean the industrial effluents. (80%)

PRINCIPLE 3:

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES:

YIL's well-being strategy aims to create a working environment that is supportive of employees' personal lives, while meeting your Company's business needs. YIL gives top priority for the employees to ensure their safety and welfare measures. The Company adopted various policies and measures to ensure the same.

Safety of the employees is considered in the plant. Safety instructions are developed and displayed in the prominent places and awareness training is given to all employees.

The following facilities are provided to the Company's employees-

- Subsidized foods which includes breakfast, lunch, snacks and tea.
- Subsidized transportation to commute from residence to factory.

- Uniform and shoe allowances.
 - Extended health insurance policy coverage for the benefit of the employees and their family members.
 - Superannuation Trust created for the purpose of retirement benefits.
 - Training to all the employees on rotational basis to equip them and deliver the best.
 - Adopted systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.
 - Education subsidies, emergency advances, Festival advances and Vehicle Advances to employees.
 - Annual health check-up of employees.
1. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
The Company's policy prohibits engaging of any child labour or involuntary labour. So, there are no complaints relating to child labour, forced labour and involuntary labour. During the year no complaints relating to Sexual harassment were reported.
 2. **What percentage of your mentioned employees were given safety & skill up- gradation training in the last year?**
 - All Employees undergo safety and skill up-gradation training on regular basis as per the training calendar.
 - The Company is providing mandatory training to employees at the time of induction/joining.
 - The Company is providing skill upgradation training under National Employment Enhancement Mission (NEEM) and Gram Tarang Employability Training.

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED:

1. **Has the Company mapped its internal and external stakeholders?**
The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, bankers, government, regulatory authorities, trade union and local community.

To shareholders investors, Bankers:

YIL regularly interacts with its shareholder, investors, Bankers through results announcements, annual report, Company's website and subject-specific communications. The Annual General Meeting gives the shareholders an opportunity

to engage directly with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied matters. The Company has conducted the plant visit program in the month of February, 2020 and around 50 investors have participated in this program.

YIL has a designated e-mail address for shareholders. The Investor Services Department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matter.

To Government:

The Company co-operates and engages with governments, regulators and legislators, both directly and through trade associations, in the development of proposed legislation and regulation which may affect your business interests.

To Customers:

To interact directly with customers, YIL has Zonal sales offices located across India namely, North Zone – New Delhi, South Zone- Bengaluru, East Zone – Kolkata and West Zone – Mumbai. Also our service offices are located at Hyderabad, Chennai, Ahmedabad and Pune. We have a network of around 60 distributors all over the country. Our Service engineers are available throughout the India and interacts regularly with customers by collecting their complaints, feedbacks with respect to products, thereby improving our product quality and services.

The Company's distributors are located all over India. Customers also interacts with distributors for any information about the products, complaints and any other necessary information. Our sales and Marketing team directly contact with distributors and resolve the customer issues. The Company is conducting a Dealer conference once in a year. In that conference the Marketing Team will discuss about demand and supply of our products, customer satisfactions, improvements required, complaints and feedback from customers, market situations and other such necessary information. The Company is also participating in industrial Trade shows and Exhibitions throughout the year. this is also an opportunity for the Company's Management to interacts with end user of the products.

Needs and expectations of the customers are determined on a continuous basis. They are converted to requirements of the organization. These identified customer requirements are then conveyed to the respective departments and personnel to ensure the achievement of customer satisfaction. This is done by first laying down a suitable system and later reviewing the same in the light of changing customer requirements with the aim of enhancing customer satisfaction. The In-charge of Marketing and sales exercises control on this.

The management demonstrates leadership and commitment with respect to customer focus by ensuring,

- Applicable statutory and regulatory requirements are determined, understood and consistently met.
 - The risks and opportunities that can affect conformity of products and the ability to enhance customer satisfaction are addressed and determined.
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**
No such cases.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
No such cases.

**PRINCIPLE 5:
BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS:**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
- The Company does not have a separate Human Rights Policy. Code of conduct and Standing Order of the Company will cover the rights and responsibilities of all the employees.
 - The Company has a Registered Employee Union to protect the rights of the Employees.
 - The Company has Separate Committee and policy with respect to Prevention of Sexual Harassment of woman in work place. The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. As required under law, an internal Compliance Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
During the year under review, the Company has not received any complaint from any stakeholders except shareholders and customers of the Company. Shareholders Complaints received during the year was reported to stock exchange and also available in the Corporate Governance Report which is part of Annual Report. Complaints received from customers is resolved by the Marketing team on regular basis.

**PRINCIPLE 6:
BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT:**

1. **Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**
- The Company does not have a separate environmental Policy. It is a part of Corporate Social Responsibility (CSR) policy which ensures environmental sustainability and ecological balance.
 - Further, to conserve the natural resource water in our Malur Plant, we have adopted the rain water harvesting. Further in order to increase the water resources, we have planted different types of trees surrounding the plant.
 - The Company is recycling and disposes the waste generated during the course of manufacturing operations in an environmentally and friendly manner.
 - Reduction in total energy footprint through various capital projects ranging from installation of energy efficient pumps, solar street lights in pavement and near the shop floors.
 - The Company has constructed the Sewage Treatment Plant and Effluent treatment plant in Factory for waste water treatment. The recycled water is used for the purpose of gardening in the factory premises.
2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
No. The hydraulic equipment manufactured by YIL conforms to standards of environmental safety, in respect of pollution, noise and and material conservation. The advanced design and performance of YIL products results in high productivity and efficiency.
3. **Does the Company identify and assess potential environmental risks?**
Yes. The Company has identified and assessed potential environmental risks from time to time. Manufacture of products to customer requirements including performance, safety compliance to statutory and other regulatory aspects, Conservation of Energy, Materials and Environment Protection.
4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
- Currently, The Company does not have any project related to Clean Development Mechanism.
 - The Company periodically files returns to Pollution control board as per the statutory requirement.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company always focusses on technology with respect to developing products with fuel efficient and environment friendly. The initiatives under taken by the Company for clean technology, energy efficiency, and renewable energy are as under:

- The Company has separate Research and Development (R&D) and New Product Development Department which always focusses on clean technology, energy efficiency and renewable energy.
- Variable frequency Drive is used in the machinery wherever possible and reduce the power consumption.
- Recycling of stansol oil and adopted centralized cooling system to control the usage and wastage of oil in manufacturing process.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All parameters of wastage/emission/pollution generated by the Company conform to the prescribed norms as per the state Pollution Board and other appropriate Government authorities.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil. No show cause notices have been issued by the concerned Government authorities/Pollution Boards.

PRINCIPLE 7:

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER:

1. Is your Company a member of any trade and chamber or association?

Yes. The Company's Membership details are as under:

- (a) Confederation of Indian Industry (CII)
- (b) Indian Machine Tool Manufactures Association (IMTMA)
- (c) All India Plastic Manufacture Association(AIPMA)
- (d) Federation of Karnataka Chambers of Commerce & Industry (FKCCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas:

The Company through various industry associations, participates in advocating matters relating to advancement of Industry and public good.

PRINCIPLE 8:

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:

1. Does the Company have specified programmers/initiatives/projects in pursuit of the policy related to Principle 8?

Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in Annexure - 4 part of the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Yuken Hydraulic School: The Company has established Hydraulic Training School in Peenya, Bengaluru. Yuken Hydraulic School as a medium through which we share complete knowledge of our experience in Hydraulic products, application engineering, maintenance and troubleshooting of hydraulic systems with our customers. The Company has trained more than 17,000 engineers across the industry in India and approx. 12 countries globally. All the participants and their respective organizations have benefited at the most through attending and learning from our hydraulics courses. YIL is conducting hydraulic training classes periodically to its customers and also to the employees

Details of our Hydraulic School information is available in our website <http://www.yukenindia.com/hydraulicstraining/>.

Employees of the Company regularly attends the training programs conducted by Confederation of Indian Industry (CII) and Indian Machine Tool Manufactures Association (IMTMA).

3. Have you done any impact assessment of your initiative?

Yes. Our Hydraulic training school provides education and training to young Engineering Graduates who choose to develop career in Hydraulics manufacturing sector.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Through Corporate Social Responsibility (CSR) activity, the Company has spent money for community development projects.

During the financial year 2019-20, the Company spent Rs. 7.33 lakhs towards CSR initiatives. Details of the projects are available in Annexure 4 part of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

- Yes. The Company has focused on Promotion of Education, Protection of Indian Art & Culture and ensuring environmental sustainability, ecological balance.
- Yuken India Hydraulic School aims to inspire, educate and equip the young engineers providing the education,

training and complete knowledge of experience, Hydraulic products and application engineering etc.

PRINCIPLE 9:

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER:

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

Customer complaints:

The Company is engaged in the business of design, manufacture, sale and servicing of hydraulic equipment like pumps, valves, power packs, machinery, components and accessories for various applications. Our Service engineers are available throughout the country where they interacts with customers and collects their complaints with respect to products and resolve the same. And also collect the feedback, which has influence over its product and service improvements.

As one of the measurements of the performance of the Quality Management System the organization monitors information relating to customer perception as to whether the organization has met customer requirement. The method for obtaining and using this information is through customer satisfaction questionnaire. Also each and every complaint of the customer with respect to the product and services are analyzed and actions initiated as the case maybe and feedback given to the customer. Customer feedback on the delivered products and services and registered through FIR, service tracker and are monitored, acted upon for each and every case

Consumer cases: there is no consumer cases filed or pending during the financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The Company provides the important information about products to the customers on timely basis. Necessary technical information and product usage instructions are provided to every customer on purchase.

For grievance handling, the Company has provided dedicated contact number in companies Website <http://www.yukenindia.com/contact-us/> where customers can contact.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There have been no cases relating to unfair trade practices, irresponsible advertising and / or anti-competitive behavior against YIL in the last five years.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company regularly obtains feedback from consumers on areas of satisfaction & similarly on their concerns or areas of dissatisfaction. Senior management actively reviews customer feedback and suggests corrective and/or preventive action as required.

Note: The Company is an ISO 9001-2015 certified Company. The Company has detailed quality manual/policy manual to meet the requirements of ISO 9001: 2015 quality management system. Majority principles of Business responsibility statements are covered in Company Quality Manual.

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Standalone Financial Statements

Independent Auditors' Report

To the Members of Yuken India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Yuken India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone

Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter –Impact of COVID-19

4. We draw attention to Note 1 to the accompanying standalone financial statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management evaluation of the same on the business operations of the Company. In view of these uncertainties, the impact on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Impairment assessment of investments in subsidiary company. As described in Note 6 to the standalone financial statements, as at 31 March 2020, the Company has an investment aggregating to ₹264.60 lakhs in its wholly own subsidiary company, Yuflow Engineering Private Limited. The subsidiary has been incurring losses, resulting in possible impairment indicators. In view of the above, the management of the Company, during the year ended 31 March 2020, has carried out an impairment test for such investments, whereby the carrying amount of the investment was compared with their fair value for which the management had prepared detailed cash flow projections, based on business plans of the subsidiary company, expected growth rates in the business and other market related factors including the discount rates, etc.	Our audit procedures included, but were not limited to, the following: <ul style="list-style-type: none"> • We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing. • We understood, evaluated and tested controls around management's assessment of the impairment indicators and the testing performed. • We reconciled the cash flow projections to the business plans approved by the Company's board of directors; • We challenged the management on the underlying assumptions used for the cash flow projections including the expected growth rates, considering evidence available to support these assumptions and our understanding of the business;

The key audit matter	How the matter was addressed in our audit
<p>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such non-current investments as a key audit matter.</p>	<ul style="list-style-type: none"> • We assessed the reasonableness of the assumptions used and tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; • Assessing the appropriateness of the methodology applied in determining the recoverable amount; • We evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculation; • We assessed the appropriateness and adequacy of the disclosures made by the management for the impairment losses in accordance with applicable accounting standards.
<p>Revenue recognition</p> <p>We refer to the Company's significant accounting policies in Note 2 and the revenue related disclosure in Note 24 and Note 45 of the standalone financial statements.</p> <p>Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers and also, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence we have assessed revenue recognition as a key audit matter.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • assessed the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); • assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; • scrutinized sales ledgers to verify completeness of sales transactions; • on a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries (as the case may be), and approved incentives/discounts schemes; • tested the appropriateness of accruals for various rebates and discounts as at the year-end; • assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; • circularized the balance confirmation for samples of customers and reviewing the reconciling items, if any; • tested the related disclosures made in notes to the standalone financial statements in respect of the revenue from operations.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements

or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 June 2020 as per Annexure II expressed unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN: 20059139AAAABG6318

Bengaluru

27th June 2020

Annexure I to the Independent Auditor's Report of even date to the members of Yuken India Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	19,10,000	-	AY 2009-10	Income Tax Appellate Tribunal	
	Income Tax	4,37,000	-	AY 2011-12	Assessing Officer	
	Income Tax	10,83,000	-	AY 2012-13	Income Tax Appellate Tribunal	
	Income Tax	16,25,935	-	AY 2014-15	Commissioner of Income Tax Appeals	

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| <p>(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures during the year.</p> <p>(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.</p> <p>(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.</p> <p>(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.</p> <p>(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.</p> <p>(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.</p> | <p>(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.</p> <p>(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p>
<p>For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013</p>
<p>Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 20059139AAAABG6318</p>
<p>Bengaluru
27th June 2020</p> |
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Annexure II to the Independent Auditor's Report of even date to the members of Yuken India Limited on the standalone financial statements for the year ended 31 March 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Yuken India Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to

an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 20059139AAAABG6318

Bengaluru
27th June 2020

Standalone Balance Sheet as at 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,733.57	6,392.84
Right-of-use assets	5	70.93	-
Capital work in progress		1,105.87	529.94
Other intangible assets	4	227.74	55.77
Financial assets			
(i) Investments	6	1,277.36	937.61
(ii) Loans	7	1.22	0.88
(iii) Other financial assets	10	11.13	18.31
Deferred tax asset	40	121.82	97.89
Other non-financial assets	12	250.63	199.09
		9,800.27	8,232.33
Current assets			
Inventories	13	17,409.67	17,548.60
Financial assets			
(i) Trade receivables	14	7,184.07	8,329.88
(ii) Cash and cash equivalents	8	46.33	68.94
(iii) Bank balances other than cash and cash equivalents	9	66.48	51.60
(iv) Loans	7	4.49	271.80
(v) Other financial assets	10	395.18	300.56
Current tax assets	11	177.36	72.23
Other non-financial assets	12	2,422.65	1,559.45
		27,706.23	28,203.06
TOTAL ASSETS		37,506.50	36,435.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,200.00	1,200.00
Other equity	16	17,034.57	16,750.65
		18,234.57	17,950.65
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	1,635.55	1,164.75
(ii) Lease liabilities	18	57.72	-
(iii) Other financial liabilities	19	706.41	634.11
Provisions	20	161.22	95.64
Deferred tax liabilities (net)	40	183.13	144.47
Other non-financial liabilities	23	188.84	255.51
		2,932.87	2,294.48
Current liabilities			
Financial liabilities			
(i) Borrowings	17	7,373.53	7,344.19
(ii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		166.24	324.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,368.86	4,606.48
(iii) Lease liabilities	18	15.48	-
(iv) Other financial liabilities	19	2,224.14	2,023.91
Provisions	20	298.52	302.59
Current tax liabilities (net)	22	0.15	330.88
Other non-financial liabilities	23	3,892.14	1,257.35
		16,339.06	16,190.26
TOTAL EQUITY AND LIABILITIES		37,506.50	36,435.39

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
Place: Bengaluru
Date: 27 June 2020

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

C P Rangachar
Managing Director
DIN: 00310893

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 27 June 2020

Standalone Statement of Profit and Loss for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	20,374.65	28,415.10
Other income	25	414.87	603.64
		20,789.52	29,018.74
Expenses			
Cost of materials consumed	26	9,940.11	14,673.82
Purchases of stock-in-trade	27	929.29	1,827.89
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	76.23	(676.07)
Employee benefits expense	29	3,044.91	3,498.21
Finance costs	30	917.95	629.28
Depreciation and amortisation expense	31	426.65	329.44
Other expenses	32	5,037.04	6,786.05
		20,372.18	27,068.62
Net profit before exceptional item and tax		417.34	1,950.12
Exceptional item	33	-	13,047.82
Profit before tax after exceptional item		417.34	14,997.94
Tax expense/(benefit):	40		
Current tax		70.06	3,211.45
MAT credit entitlement		(5.81)	(97.89)
Tax reversal for prior periods		(270.27)	(3.46)
MAT credit entitlement of prior periods		(18.12)	-
Deferred tax charge		44.58	70.10
Total tax expense/(benefit)		(179.56)	3,180.20
Profit after tax		596.90	11,817.74
Other comprehensive income			
Items that will not be reclassified to profit / (loss)			
Remeasurement (gains)/losses on defined benefit plans		29.57	15.86
Income tax effect		(5.92)	4.24
Other comprehensive income for the year		23.65	20.10
Total comprehensive income for the year		573.25	11,797.64
Earnings per equity share :	34		
Basic and diluted		4.97	98.48

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

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H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

Standalone Statement of Cash Flows for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	417.34	14,997.94
Adjustments for:		
Depreciation and amortisation	410.73	329.44
Depreciation on right of use assets	15.92	-
(Gain) / loss on forward contract mark to market measurement	(2.40)	2.40
Net unrealised exchange loss/(gain)	34.55	(39.54)
Loss on sale or on assets scrapped	6.90	3.00
Interest expense	854.68	571.93
Provision for doubtful trade receivables	62.00	72.00
Bad trade and other receivables written off	34.27	144.29
Interest income	(27.40)	(53.89)
Guarantee commission income	(12.81)	(36.76)
Net income on discounting of deposits	(3.39)	(9.31)
Dividend income	(0.06)	(0.81)
Liabilities / provisions no longer required written back	(35.55)	(203.17)
Net profit on sale of developmental rights	-	(13,047.82)
Operating profit before working capital changes	1,754.78	2,729.70
Movements in working capital		
Decrease/(increase) in inventories	138.93	(565.45)
Decrease/(increase) in trade receivables	1,103.32	(1,452.48)
Decrease in loans	266.97	256.55
(Increase) in other financial assets	(84.52)	(58.26)
(Increase)/decrease in other assets	(858.58)	36.36
(Decrease)/increase in trade payables	(2,449.38)	430.05
(Decrease)/increase in other financial liabilities	(29.73)	161.36
Increase/(decrease) in provisions	31.94	(15.25)
(Decrease)/increase in non-financial liabilities	(171.29)	21.56
Cash generated from operations	(297.56)	1,544.14
Net income tax (paid)	(269.48)	(487.82)
Net cash (used in) / generated from operating activities (A)	(567.04)	1,056.32
B. Cash flow from investing activities		
Purchase of property, plant and equipment including capital advances	(1,670.36)	(1,398.52)
Proceeds from sale of property, plant and equipment.	13.82	8.34
Bank balance not considered as cash and cash equivalent	(14.88)	(0.75)
Investment in Subsidiaries/associates	(339.75)	(2.50)
Advance received on account of joint development of property	2,628.30	609.10
Tax paid on account of joint development of property	-	(2,500.00)
Interest received	24.48	53.35
Dividend received	0.06	0.81
Net cash generated from / (used in) Investing activities (B)	641.67	(3,230.17)

Standalone Statement of Cash Flows for the year ended 31 March 2020 (Contd.)

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2020	Year ended 31 March 2019
C. Cash flow from financing activities		
Proceeds from Long term borrowings	1,500.00	500.00
Repayment of Long term borrowings	(531.70)	(460.99)
Net Increase in working capital borrowings	29.34	300.99
Proceeds from Short term borrowings	-	2,500.00
Repayment of principal amount on lease liability	(13.66)	-
Repayment of interest amount on lease liability	(6.12)	-
Interest expense paid	(787.08)	(569.48)
Dividend paid including dividend distribution tax and unclaimed dividend	(288.38)	(73.17)
Net cash (used in) / generated from financing activities (C)	(97.60)	2,197.35
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(22.97)	23.50
Cash and cash equivalents at the beginning of the year	68.94	40.96
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.36	4.48
Cash and cash equivalents at the end of the year	46.33	68.94
Cash and cash equivalents as per Note 8	46.33	68.94

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

Director

DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

Standalone Statement of Changes in Equity for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
As at 01 April 2018	30.00	300.00
Add: Issued and subscribed during the year	90.00	900.00
As at 31 March 2019	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	120.00	1,200.00

B. Other Equity

	General reserve	Retained earnings	Total
Balance as at 01 April 2018	559.58	5,365.76	5,925.34
Additions during the year			
Profit for the year	-	11,817.74	11,817.74
Items of the other comprehensive income, net of tax			
Remeasurement gains/(losses) on defined benefit plans	-	(20.10)	(20.10)
Reductions during the year:			
Profit capitalised as part of bonus shares issue	-	(900.00)	(900.00)
Dividends and tax on dividend	-	(72.33)	(72.33)
Balance as at 31 March 2019	559.58	16,191.07	16,750.65
Additions during the year			
Profit for the year	-	596.90	596.90
Items of the other comprehensive income, net of tax			
Remeasurement gains/(losses) on defined benefit plans	-	(23.65)	(23.65)
Reductions during the year:			
Dividends and tax on dividend	-	(289.33)	(289.33)
Balance as at 31 March 2020	559.58	16,474.99	17,034.57

See accompanying notes (1-49) forming part of these financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

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DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 1

General Information

Yuken India Limited was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt), Peenya Industrial Area, Bengaluru, Mumbai and Haryana. Sales and distribution network is spread across India. The Company is amongst the most preferred source of supply by most of the original equipment manufacturers in India. The Company manufactures a wide range of vane pumps, piston pumps, gear pumps, pressure controls, flow controls, directional controls, modular control valves, servo valves, custom built/standard hydraulic systems and chip compactor. The Company is listed on the Bombay Stock Exchange.

Assessment of the impact of COVID-19 pandemic on the operations of the Company

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11 March 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23 March 2020 due to which the Company suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations by way of supply chain disruptions, closure of customers' site, suspension of travel and unavailability of personnel during the lockdown period.

The Company's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including Property, plant and equipment, Capital work-in-progress, intangible assets, investments, trade receivables and inventories). In developing the assumptions relating to the possible future uncertainties in the domestic/ global economic conditions because of the pandemic, the Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. The actual impact of the pandemic may be different from that estimated as at the date of these standalone financial results and the Company will continue to monitor any material changes to future economic conditions.

The Central and State Governments have initiated steps to lift the lockdown and the Company will adhere to the same as it resumes its activities. The Company has resumed operations in a phased manner from third week of May 2020 following safety standards and protocols in accordance with government guidelines issued from time to time. The Company will continue to closely observe the evolving scenario and consider any future developments arising out of the same.

Note 2

Summary of significant accounting policies

(a) Statement of compliance

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on 27 June 2020.

(b) Basis of accounting and preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its standalone financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2020, and accounting policies and other explanatory information (together hereinafter referred to as standalone financial statements).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

The standalone financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

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

(c) Use of estimates

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

The Company bases its estimates and assumptions on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the standalone financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the likely impact of COVID-19 on the overall business of the Company. Though it is too early to estimate the same in view of the volatility in global economic conditions pursuant to this pandemic; the Company as at the date of the approval of these standalone financial statements, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's standalone financial statements may differ from the estimate as on the date of the approval of the standalone financial statements.

Expected credit loss

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with. In calculating the expected credit loss, the Company has also considered the related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19 using the forward looking approach prescribed by Ind AS 109.

Impact on revenue

The Company has re-evaluated the probable revenues from customers to assess any probable decrease in revenue due to economic stress caused by COVID-19. Accordingly, it is the opinion of the Company that the customers could re-prioritise their discretionary spend in the immediate future to conserve resources. The impact of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Impact on investments and long lived assets

The Company has considered all internal and external information including credit reports and economic outlook to evaluate the recoverability of investments and long lived assets. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these investments and long-lived assets will be recovered.

Classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset taking in to account the location of the underlying asset and the availability of suitable alternatives.

Recognition of deferred tax assets

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

Evaluation of indicators for impairment of assets

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

Provision for warranty

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Recoverability of advances / receivables

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

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(d) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment and Electrical installations*	21
Computer equipment*	6

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

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

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

(f) Intangible assets

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

(g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(h) Revenue recognition

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

Sale of goods

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

Dividend income

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

Interest income

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

Rental income

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(i) Sale of developmental rights under Joint Development Agreement

For projects executed through joint development arrangements, wherein the Company provides land and the Developer undertakes to develop properties on such land and in lieu of the Company providing land, the Developer has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from sale of developmental rights is being accounted on a gross basis when the developmental rights are transferred. The revenue is measured at the estimated standalone selling prices of the residential units that will be received by the Company, adjusted by the amount of any cash or cash equivalents transferred.

(j) Employee benefits

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

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

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

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

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

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

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

(k) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right of use asset is recognised at the same value at which lease liability is recognised. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the standalone financial statements for year ended 31 March 2019.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹86.84 lakhs, and a lease liability of ₹86.84 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- 1 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- 2 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- 3 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- 4 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.20% p.a.

(l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These standalone financial statements are presented in Indian Rupees (₹)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Inventories

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

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

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

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

(o) Investments in subsidiaries and associates

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

(p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(q) Provisions and contingencies

Provisions

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

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

(r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

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

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

i. Debt instruments at amortised cost

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

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

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

ii. Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset,

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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All amounts are in ₹ lakhs, unless otherwise stated

(s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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(u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units, which constitutes its single reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

(w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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Note 3: Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Office equipment	Jigs and fixtures	Motor vehicles	Total
Gross carrying amount									
Balance as at 01 April 2018	2,233.85	2,588.32	1,239.72	199.86	68.94	388.74	202.26	13.59	6,935.28
Additions	-	203.18	455.43	5.71	26.07	76.57	102.67	0.65	870.28
Disposals	-	-	(18.13)	(0.26)	(0.06)	(4.86)	-	(0.60)	(23.91)
Balance as at 31 March 2019	2,233.85	2,791.50	1,677.02	205.31	94.95	460.45	304.93	13.64	7,781.65
Additions	-	67.30	513.55	3.19	9.14	50.79	83.99	-	727.96
Disposals	-	(0.48)	(18.77)	(8.51)	(0.43)	(15.81)	-	(0.75)	(44.75)
Balance as at 31 March 2020	2,233.85	2,858.32	2,171.80	199.99	103.66	495.43	388.92	12.89	8,464.86
Accumulated depreciation									
Balance as at 01 April 2018	-	577.49	339.49	25.17	12.78	103.67	28.11	6.58	1,093.29
Depreciation for the year	-	71.46	148.00	11.31	8.05	51.22	17.32	0.73	308.09
Disposals	-	-	(8.07)	(0.05)	(0.03)	(4.29)	-	(0.13)	(12.57)
Balance as at 31 March 2019	-	648.95	479.42	36.43	20.80	150.60	45.43	7.18	1,388.81
Depreciation for the year	-	79.18	186.73	11.13	9.81	55.39	23.60	0.68	366.52
Disposals	-	(0.04)	(12.88)	(1.64)	(0.27)	(9.04)	-	(0.17)	(24.04)
Balance as at 31 March 2020	-	728.09	653.27	45.92	30.34	196.95	69.03	7.69	1,731.29
Net carrying amount									
Balance as at 31 March 2019	2,233.85	2,142.55	1,197.60	168.88	74.15	309.85	259.50	6.46	6,392.84
Balance as at 31 March 2020	2,233.85	2,130.23	1,518.53	154.07	73.32	298.48	319.89	5.20	6,733.57

Note:

(a) **Contractual obligations**

There are no contractual commitments for the acquisition of property, plant and equipment.

(b) **Capitalised borrowing cost**

The amount of borrowing costs capitalised during the year ended 31 March 2020 is ₹32.89 lakhs (31 March 2019: Nil).

(c) **Property, plant and equipment pledged as security**

Details of properties pledged are as per note 17.

(d) The Company has leased out assets to its subsidiaries on which rental income is earned amounting to ₹67.48 lakhs (31 March 2019: ₹63.00 lakhs). Details of such assets are as follows:

	Freehold land	Buildings	Total
Gross carrying amount			
Balance as at 01 April 2018	140.07	670.32	810.39
Additions	-	14.14	14.14
Disposals	-	-	-
Balance as at 31 March 2019	140.07	684.46	824.53
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2020	140.07	684.46	824.53
Accumulated depreciation			
Balance as at 01 April 2018	-	45.03	45.03
Depreciation for the year	-	26.05	26.05
Disposals	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 3: Property, plant and equipment (Contd.)

	Freehold land	Buildings	Total
Balance as at 31 March 2019	-	71.08	71.08
Depreciation for the year	-	25.13	25.13
Disposals	-	-	-
Balance as at 31 March 2020	-	96.21	96.21
Net carrying amount			
Balance as at 31 March 2019	140.07	613.38	753.45
Balance as at 31 March 2020	140.07	588.25	728.32

Note 4: Intangible assets

	ERP software	Technical fee	Intellectual property	Total
Gross carrying amount				
Balance as at 01 April 2018	119.94	4.06	-	124.00
Additions	7.95	-	-	7.95
Disposals	-	-	-	-
Balance as at 31 March 2019	127.89	4.06	-	131.95
Additions	68.28	-	147.91	216.19
Disposals	-	-	-	-
Balance as at 31 March 2020	196.17	4.06	147.91	348.14
Accumulated amortisation				
Balance as at 01 April 2018	50.78	4.05	-	54.83
Amortisation for the year	21.35	-	-	21.35
Disposals	-	-	-	-
Balance as at 31 March 2019	72.13	4.05	-	76.18
Amortisation for the year	27.80	-	16.42	44.22
Disposals	-	-	-	-
Balance as at 31 March 2020	99.93	4.05	16.42	120.40
Net carrying amount				
Balance as at 31 March 2019	55.76	0.01	-	55.77
Balance as at 31 March 2020	96.24	0.01	131.49	227.74

Note 5: Right of use asset

	Servers	Total
Gross carrying amount		
Balance as at 01 April 2018	-	-
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	-	-
Additions	86.84	86.84
Disposals	-	-
Balance as at 31 March 2020	86.84	86.84
Accumulated amortisation		
Balance as at 01 April 2018	-	-
Amortisation for the year	-	-
Disposals	-	-
Balance as at 31 March 2019	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 5: Right of use asset (Contd.)

	Servers	Total
Amortisation for the year	15.91	15.91
Disposals	-	-
Balance as at 31 March 2020	15.91	15.91
Net carrying amount		
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	70.93	70.93

Note 6: Investments

	As at 31 March 2020	As at 31 March 2019
Trade (Unquoted)		
Valued at cost		
Investment in equity shares of subsidiaries:		
Yuflow Engineering Private Limited (Refer note (A) and (B) below	264.60	264.60
19,96,000 equity shares (31 March 2019: 19,96,000) of ₹10 each		
Coretec Engineering India Private Limited	380.06	80.06
36,19,200 equity shares (31 March 2019: 619,200) of ₹10 each		
Grotek Enterprises Private Limited	523.00	523.00
50,10,000 equity shares (31 March 2019: 50,10,000) of ₹10 each		
Kolben Hydraulics Limited (refer note (C) below)	85.97	46.22
8,59,700 equity shares (31 March 2019: 4,62,200) of ₹10 each		
Investment in equity shares of associates:		
Sai India Limited	20.00	20.00
3,60,000 equity shares (31 March 2019: 3,60,000) of ₹10 each		
Bourton Consulting (India) Private Limited	3.73	3.73
37,300 equity shares (31 March 2019: 37,300) of ₹10 each		
Investments measured at fair value through OCI		
Hycom Engineering (India) Private Limited	94.13	94.13
9,41,330 equity shares (31 March 2019: 9,41,330) of ₹10 each		
The Shamrao Vittal Co-operative Bank Limited	0.50	0.50
2,000 equity shares (31 March 2019: 2,000) of ₹25 each		
Less : Provision for other than temporary diminution in value	(94.63)	(94.63)
	1,277.36	937.61

Note

(A) Evaluation of indicators for impairment of investment

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

The management of the Company, during the year ended 31 March 2020, has carried out an impairment test for investment in Yuflow Engineering Private Limited, whereby the carrying amount of the investment was compared with their fair value for which the management had prepared detailed cash flow projections, based on business plans of the subsidiary, expected growth rates in the business and other market related factors including the discount rates, etc.

The above impairment test resulted in no impairment required to be recognized in the carrying value of investment in Yuflow Engineering Private Limited, as at 31 March 2020.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 6: Investments (Contd.)

(B) Scheme of Amalgamation of Yuflow Engineering Private Limited with the Company

The Board of Directors in their meeting held on 13 June 2020 approved a Scheme of Amalgamation ('Scheme') of its wholly owned subsidiary, Yuflow Engineering Private Limited with its Holding Company. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has furnished the Scheme details to the stock exchange.

(C) Investment in Kolben Hydraulics Limited

The Company in its meeting of the Board of Directors held on 28 May 2019 approved the purchase of additional shares in Kolben Hydraulics Limited ('KHL'). The Company w.e.f 1 July 2019 has increased its shareholding from 46.19% to 85.92% post which KHL has been accounted as a subsidiary.

Note 7: Loans

	As at 31 March 2020	As at 31 March 2019
Non-current		
<i>(Unsecured, considered good)</i>		
Loan to employees	1.02	0.68
Others	0.20	0.20
	1.22	0.88
Current		
<i>(Unsecured, considered good)</i>		
Loan to employees	4.49	15.40
Loan to related parties (refer note 44)	-	256.40
	4.49	271.80

Note 8: Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	3.87	3.33
Balances with banks		
(i) In current accounts	30.70	44.30
(ii) In EEFC accounts	11.76	21.31
	46.33	68.94

Note 9: Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Current		
In earmarked accounts		
(i) Unpaid dividend accounts	6.36	5.40
(ii) Balance held as margin money	60.12	46.20
	66.48	51.60

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 10: Other financial assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Balance held as margin money	11.13	18.31
	11.13	18.31
Current		
Security deposits	235.62	199.30
Interest accrued on deposits	8.79	5.87
Other receivables from related parties (refer note 44)	100.77	45.39
Other receivables	50.00	50.00
	395.18	300.56

Note 11: Income tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Current		
Advance income tax [net of provision for tax of ₹3,216.01 lakhs (as at 31 March 2019: ₹166.88 lakhs)]	177.36	72.23
	177.36	72.23

Note 12: Non-financial assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Prepaid expenses	4.50	9.12
Capital advances	246.13	189.97
	250.63	199.09
Current		
Advance to related parties (refer note 44)	2,092.01	1,286.20
Advance to suppliers	150.76	120.45
Prepaid expenses	116.11	142.03
Duty drawback receivable	10.61	10.46
Balances with government authorities	52.02	-
Others	1.14	0.31
	2,422.65	1,559.45

Note 13: Inventories

	As at 31 March 2020	As at 31 March 2019
<i>(Lower of cost or net realisable value)</i>		
Raw materials and components	1,562.93	1,615.72
Goods-in-transit - raw material	17.72	27.63
Work-in-progress	922.79	1,032.05
Finished goods (other than those acquired for trading)	1,128.81	1,007.04
Stock-in-trade	230.54	319.28
Residential units from Joint development of property	13,546.88	13,546.88
	17,409.67	17,548.60

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 14: Trade receivables

	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured)</i>		
Considered good	7,184.07	8,329.88
Considered doubtful	157.59	131.14
	7,341.66	8,461.02
Less: Allowance for doubtful trade receivables	157.59	131.14
	7,184.07	8,329.88

Note 15: Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	1,20,00,000	1,200.00	1,20,00,000	1,200.00

(a) Reconciliation of the number of shares

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares of ₹10 each, par value				
Balances as at the beginning of the year	1,20,00,000	1,200.00	30,00,000	300.00
Add: Issued and subscribed during the year	-	-	90,00,000	900.00
Balance at the end of the year	1,20,00,000	1,200.00	1,20,00,000	1,200.00

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares

	As at 31 March 2020		As at 31 March 2019	
	Number	Percentage	Number	Percentage
Equity shares of ₹10 each, par value				
Yuken Kogyo Co. Limited	48,00,000	40.00%	48,00,000	40.00%
Benefic Investments & Finance Co. Private Limited	13,91,808	11.60%	13,91,808	11.60%

- (d) During the previous year, the Company had issued 9,000,000 fully paid equity shares of face value ₹10 each pursuant to a bonus issue approved by the shareholders through e-voting and physical ballot. The bonus shares were issued by capitalization of profits transferred from its reserves. In the period of five years immediately preceding the Balance Sheet date, the Company has not bought back any shares.
- (e) The Board of Directors, in its meeting held on 27 June 2020, proposed a final dividend of ₹0.60 per equity share. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹72 lakhs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 16: Other equity

	As at 31 March 2020	As at 31 March 2019
General reserve	559.58	559.58
Surplus in Statement of Profit and Loss	16,474.99	16,191.07
	17,034.57	16,750.65

Note 17: Borrowings

	As at 31 March 2020	As at 31 March 2019
Non-current (Secured)		
Term loans from banks	2,564.75	1,596.45
	2,564.75	1,596.45
Less: Current maturities of long-term borrowings	929.20	431.70
	1,635.55	1,164.75
Current (Secured)		
Loans repayable on demand from banks	6,864.35	6,064.19
(Unsecured)		
Working capital loans from banks	509.18	1,280.00
	7,373.53	7,344.19

Details of limit, repayment, rate of interest, guarantee and security

(a) Secured borrowings term loans from banks

	As at 31 March 2020	As at 31 March 2019
Mizuho Bank Limited		
Loan limit	1,695.25	1,695.25
Loan availed	1,695.25	1,695.25
Amount outstanding	697.25	1,096.45
Repayable in 17 quarterly instalments without moratorium		
Interest rate - 8.75% (31 March 2019: 9.40%)		
Mizuho Bank Limited		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	500.00
Amount outstanding	1,867.50	500.00
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate - 8.00% (31 March 2019: 9.10%)		

Security Details for the term loans taken from Mizuho Bank Limited:

- a Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,900 lakhs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

(b) Secured working capital loans from banks

	As at 31 March 2020	As at 31 March 2019
Mizuho Bank Limited		
Loan limit	2,300.00	2,300.00
Amount outstanding	2,300.00	2,300.00
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited		
Loan limit	1,200.00	1,200.00
Amount outstanding	4.64	702.13
Repayable on demand		
Interest rate - MCLR rates +1.65% (31 March 2019: MCLR +1.35%)		
Mizuho Bank Limited		
Loan limit	2,500.00	2,500.00
Amount outstanding	2,500.00	2,500.00
Repayable on demand		
Interest rate - MCLR rates		
State Bank of India (SBI)		
Loan limit	1,000.00	1,000.00
Amount outstanding	(24.42)	562.06
Repayable on demand		
Interest rate - MCLR rates + 2.30% (31 March 2019: MCLR +1.45%)		
Sumitomo Mitsui Banking Corporation(SMBC)		
Loan limit	5,000.00	-
Amount outstanding	2,084.13	-
Repayable on demand		
Interest rate - MCLR rates		

Details of security given

State Bank of India (SBI)

- (i) Primary security : Hypothecation on stocks, receivables and other current assets- paripassu charge with HDFC Bank Limited
- (ii) **Collateral security details:**
 - (a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.
 - (b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.
 - (c) Hypothecation of unencumbered fixed assets of the Company

HDFC Bank Limited

- (i) First pari pasu charge on stocks, book debts and other current assets with SBI Bank
- (ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur.
- (iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur.
- (iv) First charge on all movable fixed assets of the company - first paripassu charge with SBI Bank

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

Sumitomo Mitsui Banking Corporation (SMBC)

- (i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000 lakhs.

Mizuho Bank Limited

- (i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹4,800 lakhs.

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2020	As at 31 March 2019
Term Loans and Loans repayable on demand.		
Land and building (Net carrying value)	4,148.83	4,144.26
Stock	3,862.79	4,001.72
Trade receivables	7,184.07	8,375.27
Other current assets	2,935.13	2,206.96
Movable fixed assets	2,369.49	2,016.44

Note 18: Lease liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Lease liabilities (refer note 47)	57.72	-
	57.72	-
Current		
Lease liabilities (refer note 47)	15.48	-
	15.48	-
Movement in lease liabilities		
Balance at the beginning of the year	-	-
Lease liability recognised on account of adoption of Ind AS 116	86.84	-
Finance cost incurred during the year	6.14	-
Payment of lease liabilities	(19.78)	-
Balance at the end of the year	73.20	-
Details of lease limit, repayment and rate of interest		
Lease limit	86.84	-
Amount outstanding	73.20	-
Repayable in 60 monthly instalments without moratorium		
Interest rate - 9.20%		

Note 19: Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit received towards joint development of property	694.16	630.89
Uncharged guarantee commission income (refer note 44)	9.28	0.40
Others	2.97	2.82
	706.41	634.11
Current		
Trade / security deposits received	552.51	489.37
Payable to employees	281.04	366.35

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 19: Other financial liabilities (Contd.)

	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (refer note 17)	929.20	431.70
Uncharged guarantee commission income (refer note 44)	21.92	12.81
Interest accrued but not due on borrowings	11.33	1.42
Unpaid dividends	6.35	5.40
Payables on purchase of fixed assets	117.38	211.50
Interest accrued on trade payables (refer note 36)	20.16	2.42
Forward contract	-	2.40
Accrued liabilities	186.39	224.83
Commission payable on account of Joint development of property	95.31	273.09
Others	2.55	2.62
	2,224.14	2,023.91

Note 20: Provisions

	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for defined benefit obligations (refer note 41)	161.22	95.64
	161.22	95.64
Current		
Provision for compensated absences (refer note 41)	202.02	198.83
Provision for superannuation (refer note 41)	96.50	103.76
	298.52	302.59

Note 21: Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	166.24	324.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,368.86	4,606.48
	2,535.10	4,931.34

Note 22: Income tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Provision for tax [net of advance tax of ₹1,144.01 lakhs (as at 31 March 2019: ₹4,028.80 lakhs)]	0.15	330.88
	0.15	330.88

Note 23: Other non-financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Deferred liability on discounting of deposits	188.84	255.51
	188.84	255.51
Current		
Statutory remittances	59.04	255.16
Deferred liability on discounting of deposits	66.67	66.67
Advance from customers	3,766.43	935.52
	3,892.14	1,257.35

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 24: Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products (refer note 45)	20,255.23	28,284.67
	20,255.23	28,284.67
Other operating revenue		
Training and other services rendered	104.06	102.68
Duty drawback	15.36	27.75
	119.42	130.43
	20,374.65	28,415.10

Note 25: Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income:		
- on deposits with banks	4.47	3.12
- on overdue trade receivables	104.53	103.65
- on others	22.93	50.77
Dividend income	0.06	0.81
Liabilities/ provisions no longer required written back	35.55	203.17
Rental income (refer note 44)	67.93	67.36
Sale of scrap	42.68	51.26
Miscellaneous income	136.72	123.50
	414.87	603.64

Note 26: Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	1,615.72	1,602.15
Add : Purchases	9,887.32	14,687.39
	11,503.04	16,289.54
Less : Closing stock	1,562.93	1,615.72
	9,940.11	14,673.82

Note 27: Purchases of stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of traded goods	929.29	1,827.89
	929.29	1,827.89

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the end of the year:		
Finished goods	1,128.81	1,007.04
Work-in-progress	922.79	1,032.05
Stock-in-trade	230.54	319.28
	2,282.14	2,358.37

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade (Contd.)

	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year:		
Finished goods	1,007.04	555.96
Work-in-progress	1,032.05	1,093.16
Stock-in-trade	319.28	33.19
	2,358.37	1,682.31
	76.23	(676.07)

Note 29: Employee benefits expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	2,588.65	3,036.67
Contributions to provident and other funds (refer note 41)	264.46	268.63
Staff welfare expenses	191.80	192.91
	3,044.91	3,498.21

Note 30: Finance costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on borrowings	781.57	558.92
Interest on dealers deposits and others	102.55	64.98
Interest on income tax	33.83	5.38
	917.95	629.28

Note 31: Depreciation and amortisation expense

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on Property, plant and equipment (refer note 3)	366.52	308.09
Amortisation on intangible assets (refer note 4)	44.22	21.35
Amortisation on right to use assets (refer note 5)	15.91	-
	426.65	329.44

Note 32: Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	207.14	311.68
Tools consumed	125.42	273.45
Consumption of packing materials	276.75	428.07
Subcontracting	1,215.24	2,009.85
Contract labour wages	444.32	483.73
Power and fuel	177.17	189.40
Rent including lease rentals	191.14	168.24
Repairs and maintenance - Buildings	102.03	109.53
Repairs and maintenance - Machinery	232.78	252.78
Repairs and maintenance - Others	17.15	17.25
Vehicle maintenance	44.26	46.63
Insurance	14.06	15.79
Rates and taxes	26.70	39.63

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 32: Other expenses (Contd.)

	Year ended 31 March 2020	Year ended 31 March 2019
Travelling and conveyance	548.28	650.14
Freight and forwarding	324.58	438.44
Legal and professional charges	358.40	345.80
Remuneration to auditors (refer note below)	23.47	19.31
Bad trade and other receivables written off	34.27	144.29
Loss on sale or scrapping of fixed assets	6.90	3.00
Net loss on foreign currency transactions and translation	45.72	93.45
Provision for doubtful trade receivables	62.00	72.00
Corporate social responsibility expenses (refer note 48)	7.33	6.61
Miscellaneous expenses	551.93	666.98
	5,037.04	6,786.05

Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	21.25	17.50
Tax audit	1.00	1.00
Reimbursement of expenses	1.22	0.81
	23.47	19.31

Note 33: Exceptional items

	Year ended 31 March 2020	Year ended 31 March 2019
Estimated revenue from sale of developmental rights	-	13,546.89
Less: Cost of land	-	(64.90)
Net profit on sale of developmental rights from Joint development of property	-	13,481.99
Less: Expenses incurred towards Joint development of property	-	(434.17)
	-	13,047.82

The Company ('the landowner') had entered into a Joint Development Agreement ('JDA') with Brigade Enterprises Limited ('the Developer') for construction of a multi-storied residential building. As per the agreement, the Company was required to provide the land and the developer would construct the residential building. In accordance with the same, the Company provided a land with a carrying book value of ₹64.90 lakhs. The land which was earlier recorded as Investment property was derecognised in the previous year.

The Company had sold its land developmental rights and in consideration of giving up the developmental rights, the Company will receive a fixed percentage of the total built up area, i.e., its share of developed residential apartments.

The above 'Joint development arrangement' comprises of the following:

- Sale of development rights in lieu of construction services provided by the Developer
- Sale of Company's share of apartments in lieu of revenue sharing to the extent of the total built-up area received

During the year ended 31 March 2019, the sale of developmental rights had taken place and hence the Company had accordingly recorded the revenue from the sale of such rights. The sale of developmental rights is in exchange of construction services and hence was accounted as 'non-cash consideration' under Ind AS 115. In accordance with Para 66 of Ind AS 115 - Revenue from contract with customers, the consideration for the sale of development rights was measured at the estimated standalone selling price of the residential units. The non-cash consideration was accounted as an exceptional item.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 33: Exceptional items (Contd.)

Estimates and Assumptions:

For projects executed through joint development arrangements, the revenue from the sale of development rights was measured at the estimated standalone selling price of the residential units. The standalone selling price was estimated with reference to the total residential unit bookings made till 31 March 2019 and the related cost that was allocated to discharge the obligation of the Company under JDA. Standalone selling price was considered to be representative of the revenue transaction and land so given up. Such assessment was carried out at the launch of the real estate project and is not reassessed at each reporting period. The Management is of the view that the standalone selling price and estimates are reflective of the current market condition.

Note 34: Earnings per share

	Year ended 31 March 2020	Year ended 31 March 2019
Basic and diluted		
Net profit for the year from total operations attributable to the equity shareholders	596.90	11,817.74
Weighted average number of equity shares	1,20,00,000	1,20,00,000
Par value per share	10.00	10.00
Earnings per share from total operations - Basic and diluted	4.97	98.48

Note 35: Contingencies and commitments

	As at 31 March 2020	As at 31 March 2019
Contingent liabilities		
Corporate guarantees given to subsidiaries	3,450.00	3,450.00
Disputed income tax liabilities		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	4.37	4.37
(iii) AY 2012-13	10.83	19.03
(iv) AY 2014-15	16.26	16.26
	3,500.56	3,508.76

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company had made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

	As at 31 March 2020	As at 31 March 2019
Commitments		
Capital commitments	629.15	841.24
	629.15	841.24

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 36: Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statement based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	166.24	324.86
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	2.42	0.60
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	0.11
The amount of interest due and payable for the year	17.74	1.93
The amount of interest accrued and remaining unpaid at the end of the accounting year	20.16	2.42

Note 37: Amounts remitted in foreign currency during the year on account of dividends paid

	Year ended 31 March 2020	Year ended 31 March 2019
Amount of dividends remitted in foreign currency (refer note 44)	96.00	24.00
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total of shares held by them on which dividend was due	48,00,000	12,00,000
Years to which dividend relates	2018-19	2017-18

Note 38: Disclosure in respect of loans given, investment made, guarantees given and security provided as per Section 186(4) of the Companies Act, 2013

Particulars	Terms	Year ended 31 March 2020	Year ended 31 March 2019
Investments made			
Coretec Engineering India Private Limited	Additional Investment through 30 lakh shares	300.00	-
Kolben Hydraulics Limited	Additional Investment through 3.97 lakh shares	39.75	-
Guarantees given			
Coretec Engineering India Private Limited	Corporate guarantee given to banks on behalf of subsidiary	-	1,850.00
Grotek Enterprises Private Limited	Corporate guarantee given to banks on behalf of subsidiary	-	1,600.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 39: Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity having significant influence. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

	As at 31 March 2020	As at 31 March 2019
Borrowings (refer note 17)	9,938.28	8,940.64
Trade payables (refer note 21)	2,535.10	4,931.34
Less: Cash and cash equivalents (refer note 8)	(46.33)	(68.94)
Less: Bank balances other than cash and cash equivalents (refer note 9)	(66.48)	(51.60)
Net debt	12,360.57	13,751.44
Equity	1,200.00	1,200.00
Other equity	17,034.57	16,750.65
Capital and net debt	30,595.14	31,702.09
Gearing ratio	40%	43%

Note 40: Income Tax

	Year ended 31 March 2020	Year ended 31 March 2019
The major components of income tax expense are:		
Current income tax:		
Current income tax charge	70.06	3,211.45
MAT credit entitlement	(5.81)	(97.89)
MAT credit entitlement of prior periods	(18.12)	-
Tax reversal for prior periods	(270.27)	(3.46)
	(224.14)	3,110.10
Deferred tax charge		
Relating to the origination and reversal of temporary differences	44.58	70.10
Income tax expense reported in Statement of Profit and Loss	(179.56)	3,180.20
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(5.92)	4.24
	(5.92)	4.24
	(185.48)	3,184.44

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Income Tax (Contd.)

	As at 31 March 2020	As at 31 March 2019
Reconciliation of deferred tax liabilities (net)		
Opening balance	144.47	70.13
Deferred tax charge during the year recognised in statement of profit and loss	44.58	70.10
Deferred tax charge/(credit) during the year recognised in OCI	(5.92)	4.24
Closing balance	183.13	144.47

	As at 31 March 2020	As at 31 March 2019
Reconciliation of deferred tax assets (net)		
MAT credit entitlement		
Opening balance	97.89	64.54
Additions during the year	5.81	97.89
Additions pertaining to prior periods	18.12	-
Less: Utilized during the year	-	64.54
Closing balance	121.82	97.89

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	417.34	14,997.94
Tax on accounting profit at statutory income tax rate [27.82%] (PY 29.12%)	116.10	4,367.40
Reconciling items:		
Expense disallowed under the provisions of Income tax Act, 1961		
(i) Donations and others	15.23	0.45
(ii) Guarantee commission income	(11.15)	(10.71)
Additional deductions under section 80JJAA	(2.42)	(2.00)
Tax reduction on account of indexation w.r.t transfer of capital asset	-	(489.21)
Tax reduction on account of special rates of tax on capital gains	-	(661.61)
Tax reversals of prior periods	(270.27)	(3.46)
MAT credit entitlement of prior periods	(18.12)	-
Change in effective rate of taxation from 29.12% to 27.82% (PY 34.608% to 29.12%)	(8.93)	(20.66)
At the effective income tax rate of 27.82% (PY 29.12%%)	(179.56)	3,180.20
Income tax expense reported in the Statement of Profit and Loss	(179.56)	3,180.20

Details of items disclosed under deferred tax liabilities:

	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Provision for employee benefits	101.04	85.75
Allowance for trade receivables	43.84	38.19
Fair value measurement of financial asset/liability	23.97	25.90
Deferred tax liability		
Depreciation and amortisation	351.98	294.31
Deferred tax liability, net	(183.13)	(144.47)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Income Tax (Contd.)

Details of items disclosed under deferred tax asset:

	As at 31 March 2020	As at 31 March 2019
MAT credit entitlement	121.82	97.89
Deferred tax asset, net	121.82	97.89

Note 41: Defined benefit obligations

The Company has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

A Defined benefit contributions

The Company makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Company recognised ₹125.47 lakhs (31 March 2019: ₹122.62 lakhs) for provident fund contributions and ₹101.97 lakhs (31 March 2019: ₹107.60 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.

B Defined benefit plans

The Company has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

b Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

f Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the company to market risk for volatilities/fall in interest rate.

g Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :

	As at 31 March 2020	As at 31 March 2019
Current service cost	29.59	28.43
Interest cost	30.36	26.77
Expected return on plan assets	(22.94)	(17.63)
Components of defined benefit costs recognised in Statement of Profit or Loss	37.01	37.57
Re-measurement on the net defined benefit liability :		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	24.20	12.51
Return on Plan assets excluding amount recognised in net interest expense	5.37	3.35
Components of defined benefit costs recognised in other comprehensive income	29.57	15.86
Actual contribution and benefit payments for year :		
Actual benefit payments	76.11	18.32
Actual contributions	1.00	75.00
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligations	(400.93)	(392.89)
Fair value of plan assets	239.71	297.25
Funded status [surplus / (deficit)]	(161.22)	(95.64)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(161.22)	(95.64)
Change in defined benefit obligations (DBO) during the year :		
Present value of DBO at the beginning of the year	392.89	343.50
Current service cost	29.59	28.43
Interest cost	30.36	26.77
Actuarial (gains) / losses	24.20	12.51
Benefits paid	(76.11)	(18.32)
Present value of DBO at the end of the year	400.93	392.89
Change in fair value of assets during the year :		
Plan assets at the beginning of the year	297.25	226.29
Expected return on plan assets	22.94	17.63
Actual company contributions	1.00	75.00
Actuarial gains / (losses)	(5.37)	(3.35)
Benefits paid	(76.11)	(18.32)
Plan assets at the end of the year	239.71	297.25
Actual return on plan assets	17.57	14.28
Composition of the plan assets is as follows :		
Others- insurer managed funds	100%	100%

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

	As at 31 March 2020	As at 31 March 2019
Actuarial assumptions :		
Discount rate	6.85%	7.70%
Expected return on plan assets	7.00%	7.50%
Salary escalation	2.00% for first 2 years and 5% thereafter	5.00%
Attrition		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

Note:

- The Company is estimated to contribute ₹195.04 lakhs (March 2019: ₹127.33 lakhs) towards gratuity funds during the next year.
- Details of fund assets which are managed by an insurance company have not been disclosed since the details have not been provided by them.
- The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

A quantitative sensitivity analysis for significant assumption is as shown below :

	As at 31 March 2020	As at 31 March 2019
Impact of change in the discount rate		
Impact due to increase of 1%		
Impact due to decrease of 1%	(34.10)	(32.20)
	39.75	37.26
Impact of change in the salary growth rate		
Impact due to increase of 1%	39.87	37.36
Impact due to decrease of 1%	(34.71)	(32.74)
Impact of change in the attrition rate		
Impact due to increase of 50%	3.89	5.29
Impact due to decrease of 50%	(4.26)	(5.78)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.19	0.29
Impact due to decrease of 10%	(0.20)	(0.30)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Defined benefit obligations (Contd.)

Effect of plan on entity's future cash flows

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The weighted average duration of the plan is estimated to be 10 years. Following is a maturity profile of the defined benefit obligation:

Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2020	As at 31 March 2019
1 year	22.95	31.91
2 - 5 years	153.43	134.01
6 - 10 years	208.66	252.39
More than 10 years	492.96	510.53

Compensated absences

	As at 31 March 2020	As at 31 March 2019
Charge in the Statement of Profit and Loss	61.43	56.99
Liability as at the year end	202.02	199.90
Actuarial assumptions		
Discount rate	6.85%	7.70%
Salary escalation	2.00% for first 2 years and 5% thereafter	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.

Note 42: Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	6	1,277.36	-	0.00
Loans	7			
Loan to employees		5.51	-	-
Loan to related parties		-	-	-
Others		0.20	-	-
Cash and cash equivalents	8	46.33	-	-
Bank balances other than cash and cash equivalents	9	66.48	-	-
Other financial assets	10			
Balance held as margin money account		11.13	-	-
Security deposits		235.62	-	-
Interest accrued on deposits		8.79	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Other receivables from related parties		100.77	-	-
Other receivables		50.00	-	-
Trade receivables	14	7,184.07	-	-
Total		8,986.26	-	-
Liabilities:				
Borrowings	17	9,009.08	-	-
Trade payables	21	2,535.10	-	-
Lease liabilities	18	73.20		
Other financial liabilities	19			
Security deposit received towards joint development of property		694.16	-	-
Uncharged guarantee commission income		31.20	-	-
Trade / security deposits received		552.51	-	-
Payable to employees		281.04	-	-
Current maturities of long-term borrowings		929.20	-	-
Interest accrued but not due on borrowings		11.33	-	-
Unpaid dividends		6.35	-	-
Payables on purchase of fixed assets		117.38	-	-
Interest accrued on trade payables		20.16	-	-
Forward contract		-	-	-
Accrued liabilities		186.39	-	-
Commission payable on account of Joint development of property		95.31	-	-
Others		5.52	-	-
Total		14,547.93	-	-

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	6	937.61	-	0.00
Loans	7			
Loan to employees		16.08	-	-
Loan to related parties		256.40	-	-
Others		0.20	-	-
Cash and cash equivalents	8	68.94	-	-
Bank balances other than cash and cash equivalents	9	51.60	-	-
Other financial assets	10			
Balance held as margin money account		18.31	-	-
Security deposits		199.30	-	-
Interest accrued on deposits		5.87	-	-
Other receivables from related parties		45.39	-	-
Other receivables		50.00	-	-
Trade receivables	14	8,329.88	-	-
Total		9,979.58	-	-
Liabilities:				
Borrowings	17	8,508.94	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Trade payables	21	4,931.34	-	-
Lease liabilities	18	-	-	-
Other financial liabilities	19			
Security deposit received towards joint development of property		630.89	-	-
Uncharged guarantee commission income		13.21	-	-
Trade / security deposits received		489.37	-	-
Payable to employees		366.35	-	-
Current maturities of long-term borrowings		431.70	-	-
Interest accrued but not due on borrowings		1.42	-	-
Unpaid dividends		5.40	-	-
Payables on purchase of fixed assets		211.50	-	-
Interest accrued on trade payables		2.42	-	-
Forward contract		-	2.40	-
Accrued liabilities		224.83	-	-
Commission payable on account of Joint development of property		273.09	-	-
Others		5.44	-	-
Total		16,095.90	2.40	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	0.00
Derivative financial liability	19	-	-	-	-
As at 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	0.00
Derivative financial liability	19	-	2.40	-	2.40

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk

	As at 31 March 2020	As at 31 March 2019
Investments	1,277.36	937.61
Loan to employees	5.51	16.08
Loan to related parties	-	256.40
Others	0.20	0.20
Cash and cash equivalents	46.33	68.94
Bank balances other than cash and cash equivalents	66.48	51.60
Balance held as margin money account	11.13	18.31
Security deposits	235.62	199.30
Interest accrued on deposits	8.79	5.87
Other receivables from related parties	100.77	45.39
Other receivables	50.00	50.00
Trade receivables	7,184.07	8,329.88
	8,986.26	9,979.58

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	131.14	215.58
Impairment loss recognised	62.00	72.00
Impairment loss reversed	(35.55)	(156.44)
Balance at the end	157.59	131.14

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,480.99	1,635.55	-	10,116.54
Lease liabilities	21.57	66.51	-	88.08
Trade payables	2,535.10	-	-	2,535.10
Other financial liabilities	1,294.94	706.41	-	2,001.35
Total	12,332.60	2,408.47	-	14,741.07

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,894.41	1,164.75	-	9,059.16
Lease liabilities	-	-	-	-
Trade payables	4,931.34	-	-	4,931.34
Other financial liabilities	1,592.21	634.11	-	2,226.32
Total	14,417.96	1,798.86	-	16,216.82

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Included In	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	2.97	222.35	3.61	248.97
	EURO	-	-	0.00	0.28
	JPY	5.35	3.69	8.01	4.99
	GBP	0.27	24.82	0.22	20.38
EEFC balances	USD	0.16	11.76	0.06	4.15
	EURO	-	-	0.22	17.16
Financial liabilities					
Trade payables	USD	5.77	430.92	13.67	942.45
	JPY	1.60	1.10	2.70	1.68

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase 31 March 2020	Decrease 31 March 2020	Increase 31 March 2019	Decrease 31 March 2019
Sensitivity				
INR/USD	1.97	(1.97)	6.89	(6.89)
INR/EURO	-	-	0.17	(0.17)
INR/JPY	0.03	(0.03)	0.03	(0.03)
INR/GBP	0.25	(0.25)	0.20	(0.20)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

	As at 31 March 2020	As at 31 March 2019
Forward Contracts		
In USD	-	5.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

	31 March 2020	31 March 2019
Not later than one month	-	1.50
Later than one month and not later than three months	-	2.50
Later than three months and not later than a year	-	1.00

Interest rate risk

Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	7,373.53	7,344.19
Fixed rate borrowing	2,564.75	1,596.45
Total borrowings	9,938.28	8,940.64
Amount disclosed under other current financial liabilities	929.20	431.70
Amount disclosed under borrowings	9,009.08	8,508.94

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2020	31 March 2019
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	73.74	73.44
Interest rates – decrease by 100 basis points (100 bps)	(73.74)	(73.44)

Note 44: Related party disclosures

Nature of relationship	Name of related parties
I Subsidiary companies	Yuflow Engineering Private Limited Coretec Engineering India Private Limited Grotek Enterprises Private Limited Kolben Hydraulics Limited (w.e.f 01 July 2019)
II Associate companies	Sai India Limited Bourton Consulting (India) Private Limited
III Key Management Personnel (KMP)	C P Rangachar - Managing Director H M Narasinga Rao - Chief Financial Officer Vinayak Hegde - Company Secretary K. Gopalkrishna- Executive Director. A. Venkatakrishnan- Chief Operating Officer
IV Relatives of KMP	Vidya Rangachar Madhuri Rangachar
V Entity having significant influence (Significant shareholder)	Yuken Kogyo Co Limited

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

VI	Entities controlled by significant shareholder	Yuken Hydraulics (T.W) Co Limited
		Yuken Europe Limited
		Yuken Korea Co Limited
		Yuken Kogyo (Foshan) Co Limited
		Yuken Sea Co Limited
VII	Parties in which key management personnel or their relatives have significant influence	Al Khooor Pumps & Hydraulic Machines TR. (LLC)
		Benefic Investment and Finance Company (Private) Limited
VIII	Other related parties	Yuken India Employees Gratuity Trust
		Yuken India Employees Superannuation Fund

IX Details of related parties transactions for the year ended 31 March 2020 and 31 March 2019 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of property, plant and equipment			
Coretec Engineering India Private Limited	Subsidiary	118.31	113.69
Yuken Kogyo Co Limited	Entity having significant influence	1.05	39.54
Yuflow Engineering Private Limited	Subsidiary	0.30	-
Purchase of goods and services received			
Coretec Engineering India Private Limited	Subsidiary	2,407.60	3,233.66
Yuflow Engineering Private Limited	Subsidiary	5.21	0.26
Yuken Kogyo Co Limited	Entity having significant influence	1,039.19	2,082.33
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	405.15	936.48
Yuken Kogyo (Foshan) Co Limited	Entities controlled by significant shareholder	-	4.14
Sai India Limited	Associate	0.28	5.23
Kolben Hydraulics Limited	Subsidiary	166.86	104.16
Bourton Consulting (India) Private Limited	Associate	33.49	20.06
Grotek Enterprises Private Limited	Subsidiary	1,239.06	1,713.99
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	-	45.33
Royalty and brand fees paid			
Yuken Kogyo Co Limited	Entity having significant influence	78.48	116.99
Sale of property, plant and equipment			
Coretec Engineering India Private Limited	Subsidiary	12.86	4.53
Yuflow Engineering Private Limited	Subsidiary	2.79	-
Sale of goods and services			
Coretec Engineering India Private Limited	Subsidiary	5.74	8.72
Yuflow Engineering Private Limited	Subsidiary	1.38	-
Yuken Kogyo Co Limited	Entity having significant influence	10.26	16.44
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	8.45	16.93
Yuken Europe Limited	Entities controlled by significant shareholder	23.40	28.36
Yuken Korea Co Limited	Entities controlled by significant shareholder	36.84	31.80
Yuken Sea Co Limited	Entities controlled by significant shareholder	-	0.10
Kolben Hydraulics Limited	Subsidiary	3.72	17.18
Sai India Limited	Associate	2.81	3.75
Grotek Enterprises Private Limited	Subsidiary	52.63	41.52
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	55.70	26.14

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2020	Year ended 31 March 2019
Rent received			
Grotek Enterprises Private Limited	Subsidiary	78.38	74.34
Kolben Hydraulics Limited	Subsidiary	1.78	2.02
Interest income			
Grotek Enterprises Private Limited	Subsidiary	15.29	43.54
Dividend received			
Bourton Consulting (India) Private Limited	Associate	-	0.75
Dividend paid			
Yuken Kogyo Co Limited	Entity having significant influence	96.00	24.00
C P Rangachar	KMP	1.69	0.42
Vidya Rangachar	Relative of KMP	0.32	0.08
Madhuri Rangachar	Relative of KMP	0.16	0.04
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their relatives have significant influence	27.84	6.96
Investment made in equity shares			
Kolben Hydraulics Limited	Subsidiary	39.75	2.50
Coretec Engineering India Private Limited	Subsidiary	300.00	-
Corporate guarantee given			
Coretec Engineering India Private Limited	Subsidiary	-	1,850.00
Grotek Enterprises Private Limited	Subsidiary	-	1,600.00
Guarantee Commission income			
Coretec Engineering India Private Limited	Subsidiary	25.32	24.85
Grotek Enterprises Private Limited	Subsidiary	14.74	11.91
Remuneration including commission			
C P Rangachar	KMP	69.20	101.84
H M Narasinga Rao	KMP	47.62	54.18
Vinayak Hegde	KMP	5.92	6.75
K. Gopalkrishna	KMP	56.55	62.96
A. Venkatakrishnan	KMP	27.92	31.04
Payment towards expenses			
Vidya Rangachar	Relative of KMP	1.80	1.80
Reimbursement of expense(net)			
Yuken Kogyo Co Limited	Entity having significant influence	3.30	0.24
Coretec Engineering India Private Limited	Subsidiary	9.91	6.20
Grotek Enterprises Private Limited	Subsidiary	21.34	41.29
Contribution to post employment benefit plans			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	1.01	75.00
Yuken India Employees Superannuation Fund	Post -employment benefit plan	107.92	98.84

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

X Details of amounts outstandings from related parties as at 31 March 2020 and 31 March 2019 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	As on 31 March 2020	As on 31 March 2019
Advance towards purchase of goods and services			
Yuflow Engineering Private Limited	Subsidiary	491.42	365.36
Coretec Engineering India Private Limited	Subsidiary	396.11	-
Grotek Enterprises Private Limited	Subsidiary	1,062.66	789.80
Kolben Hydraulics Limited	Subsidiary	141.82	131.04
Loan outstanding			
Grotek Enterprises Private Limited	Subsidiary	-	256.40
Trade receivables			
Coretec Engineering India Private Limited	Subsidiary	14.81	29.88
Yuflow Engineering Private Limited	Subsidiary	4.16	-
Yuken Kogyo Co Limited	Entity having significant influence	3.84	5.26
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	6.22	2.56
Yuken Europe Limited	Entities controlled by significant shareholder	24.82	20.38
Grotek Enterprises Private Limited	Subsidiary	70.92	84.98
Sai India Limited	Associate	5.19	2.79
Kolben Hydraulics Limited	Subsidiary	37.00	33.44
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	201.48	144.20
Rent receivable			
Grotek Enterprises Private Limited	Subsidiary	96.97	43.37
Kolben Hydraulics Limited	Subsidiary	3.80	2.02
Trade Payables			
Coretec Engineering India Private Limited	Subsidiary	-	412.26
Yuken Kogyo Co Limited	Entity having significant influence	336.05	741.33
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	103.72	249.71
Yuken Kogyo (Foshan) Co Limited	Entities controlled by significant shareholder	-	4.00
Sai India Limited	Associate	3.68	3.40
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	0.11	0.10
Bourton Consulting (India) Private Limited	Associate	2.10	1.42
Capital payables			
Coretec Engineering India Private Limited	Subsidiary	21.92	-
Yuflow Engineering Private Limited	Subsidiary	0.30	-
Key Management Personnel remuneration payable			
C P Rangachar	KMP	4.00	35.53
H M Narasinga Rao	KMP	2.28	2.47
Vinayak Hegde	KMP	0.43	0.48
K. Gopalkrishna	KMP	2.43	2.62
A. Venkatakrishnan	KMP	1.60	1.80
Guarantees outstanding			
Coretec Engineering India Private Limited	Subsidiary	1,850.00	1,850.00
Grotek Enterprises Private Limited	Subsidiary	1,600.00	1,600.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 45: Ind AS 115 – Revenue from Contracts with Customers

i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	31 March 2020	31 March 2019
Sale of products			
Finished goods	At point in time	20,255.23	28,284.67
Sale of Services			
Training and other services rendered	Over a period of time	104.06	102.68
Duty drawback	At point in time	15.36	27.75
Profit on sale of development rights	At point in time	-	13,047.82
Sale of products comprises :			
Manufactured goods			
Hydraulic pumps, valves, etc		12,676.19	16,853.36
Hydraulic systems		6,085.99	9,273.44
		18,762.18	26,126.80
Traded goods			
Other Items		1,493.05	2,157.87
		1,493.05	2,157.87
		20,255.23	28,284.67

ii) Contract balances

	31 March 2020	31 March 2019
Trade receivables	7,184.07	8,329.88
Contract liabilities – Advance from customers	3,766.43	935.52

Contract liabilities include advances received from customers. The outstanding balances of these accounts has increased primarily on account of satisfaction of performance obligation subsequent to year-end against which the advances were received during the year.

Contract liabilities - Advance from customers include the advances received from customers on the booking of residential units.

iii) Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated.

Sale of services

The performance obligation is satisfied over-time or point in time based on the nature of services and payment is generally due upon completion of services.

Sale of developmental rights

The performance obligation is satisfied at a point in time when the obligation of transferring the development rights are fulfilled.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 46: Segment information

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Company performance and allocates resources based on Single Segment - Hydraulics

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Revenues from external customers for each product or each group of similar products		
Sale of products	20,255.23	28,284.67
	20,255.23	28,284.67
Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues		
India	19,932.75	27,876.09
Outside India	322.48	408.58
	20,255.23	28,284.67
Non-current assets (other than financial instruments and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets		
India	8,388.74	7,177.64
Outside India	-	-
	8,388.74	7,177.64
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale		
Revenue from top customer	1,725.37	2,090.39
Percentage	8.52%	7.39%
Revenue from customers contributing 10% or more to the Company's revenues from product sale	-	-
Percentage	-	-

Note 47: Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

	As at 31 March 2020
Within one year	15.48
After one year but not more than five years	57.72
	73.20

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Effective 1 April 2019, the Company has adopted Ind AS 116, Leases; and has recognised interest on lease liability of ₹6.14 lakhs under finance cost.

The aggregate amortisation of ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (refer note 31).

The Company has applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application in accordance with Ind AS 116. Rental expense recorded for short-term leases was ₹191.14 lakhs for the year ended 31 March 2020.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 48: Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare, protection of art and culture, setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

	Year ended 31 March 2020	Year ended 31 March 2019
Gross amount required to be spent during the year #	19.07	6.56
Amount spent during the year	7.33	6.61
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.33	6.61
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

Amounts computed is based upon profits as per relevant GAAP applicable for the respective years.

The Company is in the process of identifying various social welfare activities which supports the right cause as aimed by the management of the Company. The management endeavours to speed up the process and increase CSR spend to assist the government in its initiative to support the society at large.

Note 49: Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation.

As per our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

Director

DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

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Consolidated Financial Statements

Independent Auditors' Report

To the Members of Yuken India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent

of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Impact of COVID-19

4. We draw attention to Note 1 to the accompanying consolidated financial statements which describes the uncertainties due to outbreak of COVID-19 pandemic and management's evaluation of the same on the business operations of the Group. In view of these uncertainties, the impact on the Group's operations is significantly dependent on future developments.

The above matter has also been reported as emphasis of matter in the audit reports issued by other firms of chartered accountants on the standalone financial statements of two subsidiary companies for the year ended 31 March 2020.

Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition We refer to the Group's significant accounting policies in Note 2 and the revenue related disclosure in Note 24 and Note 45 of the consolidated financial statements. Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers, determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations. Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers and also, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence we have assessed revenue recognition as a key audit matter.	Our audit procedures included, but were not limited to, the following: <ul style="list-style-type: none"> assessed the design and operating effectiveness of Holding Company's controls (including the automated controls) around revenue recognition (including rebates / discounts); assessed the appropriateness of Holding Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; scrutinized sales ledgers to verify completeness of sales transactions; on a sample basis, tested the revenue recognized including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries (as the case may be), and approved incentives/ discounts schemes; tested the appropriateness of accruals for various rebates and discounts as at the year-end; assessed the revenue recognized with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; circularized the balance confirmation for samples of customers and reviewing the reconciling items, if any; tested the related disclosures made in notes to the consolidated financial statements in respect of the revenue from operations.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates

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

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹8,644.44 lakhs and net assets of ₹114.56 lakhs as at 31 March 2020, total revenues of ₹7,369.76 lakhs and net cash outflows amounting to ₹15.66 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹13.87 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and associates, we report that the Holding Company, its subsidiary companies and associate companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies and associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure II; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 35 to the consolidated financial statements;
 - ii. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies during the year ended 31 March 2020.
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 20059139AAAABH7645

Bengaluru
27th June 2020

Annexure I

List of entities included in the Consolidated Financial Statements

Subsidiaries:

- a) Yuflow Engineering Private Limited;
- b) Coretec Engineering India Private Limited;
- c) Grotek Enterprises Private Limited; and
- d) Kolben Hydraulics Limited (w.e.f 1 July 2019)

Associates:

- a) SAI India Limited;
- b) Bourton Consulting (India) Private Limited.

Annexure II to the Independent Auditor's Report of even date to the members of Yuken India Limited on the consolidated financial statements for the year ended 31 March 2020

Annexure

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on

Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies, the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹8,644.44 lakhs and net assets of (₹114.56) lakhs as at 31 March 2020, total revenues of ₹7,369.76 lakhs and net cash outflows amounting to ₹15.66 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit(including other comprehensive income) of ₹13.87 lakhs for the year ended 31 March 2020, in respect of two associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN: 20059139AAAABH7645

Bengaluru

27th June 2020

Consolidated Balance Sheet as at 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,024.03	9,259.85
Right-of-use assets	5	70.93	-
Capital work-in-progress		2,312.70	891.74
Other intangible assets	4	440.13	271.86
Goodwill arising on consolidation		92.57	35.61
Financial assets			
(i) Investments	6	436.29	413.95
(ii) Loans	7	1.22	0.88
(iii) Other financial assets	10	31.32	24.01
Deferred tax asset	39	208.87	142.11
Other non-financial assets	12	266.08	698.89
		13,884.14	11,738.90
Current assets			
Inventories	13	18,906.72	18,379.29
Financial assets			
(i) Trade receivables	14	7,801.22	9,577.30
(ii) Cash and cash equivalents	8	73.13	102.47
(iii) Bank balances other than cash and cash equivalents	9	66.48	51.60
(iv) Loans	7	9.55	27.91
(v) Other financial assets	10	303.53	255.17
Current tax assets	11	184.34	72.23
Other non-financial assets	12	464.53	607.04
		27,809.50	29,073.01
		41,693.64	40,811.91
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	1,200.00	1,200.00
Other equity	16	16,176.32	16,176.84
		17,376.32	17,376.84
Non-controlling interest		3.40	-
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	2,845.56	1,813.28
(ii) Lease liabilities	18	57.72	-
(iii) Other financial liabilities	19	697.13	633.71
Provisions	20	253.87	172.67
Deferred tax liabilities (net)	39	365.76	345.89
Other non financial liabilities	23	188.84	255.51
		4,408.88	3,221.06
Current liabilities			
Financial liabilities			
(i) Borrowings	17	8,686.49	8,813.70
(ii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		557.05	648.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,770.85	6,232.52
(iii) Lease liabilities	18	15.48	-
(iv) Other financial liabilities	19	2,539.28	2,079.14
Provisions	20	369.04	369.33
Current tax liabilities	22	0.15	379.56
Other non-financial liabilities	23	3,966.70	1,690.78
		19,905.04	20,214.01
		41,693.64	40,811.91
TOTAL EQUITY AND LIABILITIES			

See accompanying notes (1-50) forming part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
Place: Bengaluru
Date: 27 June 2020

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

C P Rangachar
Managing Director
DIN: 00310893

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 27 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	24,215.96	33,941.30
Other income	25	406.31	561.75
		24,622.27	34,503.05
Expenses			
Cost of materials consumed	26	10,237.05	15,512.62
Purchases of stock-in-trade	27	929.29	1,827.89
Changes in stock of finished goods, work-in-progress and stock-in-trade	28	(256.12)	(862.78)
Employee benefits expense	29	3,951.78	4,314.26
Finance costs	30	1,088.09	788.78
Depreciation and amortisation expense	31	756.49	619.90
Other expenses	32	7,862.76	10,248.11
		24,569.34	32,448.78
Profit before exceptional item and tax		52.93	2,054.27
Exceptional Item	33	-	13,047.82
Profit before tax after exceptional item		52.93	15,102.09
Tax expense/(benefit):			
Current tax		70.06	3,255.66
MAT credit entitlement		(5.81)	(142.11)
Tax reversal for prior periods		(270.27)	(3.46)
MAT credit entitlement of prior periods		(18.12)	-
Deferred tax charge/(credit)		(11.39)	96.02
Total tax expense/(benefit)		(235.53)	3,206.11
Profit after tax		288.46	11,895.98
Equity earnings of associates		13.87	43.57
Profit after tax for the year		302.33	11,939.55
Profit attributable to owners of parent		313.02	11,939.55
Profit attributable to non-controlling Interest		(10.69)	-
Other comprehensive income			
Items that will not be reclassified to profit / (loss)			
Remeasurement (gains)/losses on defined benefit plans		30.33	17.29
Income tax effect		(6.13)	3.80
Other comprehensive income for the year		24.20	21.09
Total comprehensive income for the year		278.13	11,918.46
Total comprehensive Income attributable to owners of parent:		288.82	11,918.46
Total comprehensive Income attributable to non-controlling interest		(10.69)	-
Earnings per equity share:			
Basic and diluted	34	2.52	99.50

See accompanying notes (1-50) forming part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
Place: Bengaluru
Date: 27 June 2020

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

C P Rangachar
Managing Director
DIN: 00310893

Capt. N S Mohanram
Director
DIN: 02466671

R Srinivasan
Director
DIN: 00043658

H M Narasinga Rao
Chief Financial Officer

Vinayak Hegde
Company Secretary
ACS No : 48364

Place: Bengaluru
Date: 27 June 2020

Statement of Consolidated Cash Flows for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2020	Year ended 31 March 2019
A) Cash flow from operating activities		
Profit/(Loss) before tax	52.93	15,102.09
Adjustments for:		
Depreciation and amortisation	740.57	619.90
Depreciation on right of use assets	15.92	-
Loss on sale or on assets scrapped	9.83	3.57
Net unrealised exchange loss/(gain)	34.55	(39.54)
Provision for doubtful trade receivables	62.00	72.53
Bad trade and other receivables written off	50.99	224.09
Interest expense	1,024.82	735.89
(Gain) / loss on forward contract mark to market measurement	(2.40)	2.40
Net income on discounting of deposits	(3.39)	(9.31)
Interest income	(12.11)	(10.35)
Dividend income	(0.06)	(0.81)
Liabilities / provisions no longer required written back	(60.94)	(289.10)
Gain on equity Interest	(35.28)	-
Net profit on sale of developmental rights	-	(13,047.82)
Operating profit before working capital changes	1,877.43	3,363.54
Movements in working capital		
(Increase) in inventories	(407.99)	(810.55)
Decrease / (increase) in trade receivables	1,760.27	(1,887.67)
Decrease / (increase) in Loans	18.02	(10.31)
(Increase) in other financial assets	(43.63)	(13.81)
Decrease / (increase) in non-financial assets	154.05	(139.46)
(Decrease) / increase in trade payables	(2,816.80)	1,507.91
(Decrease) / increase in other financial liabilities	(20.85)	94.09
Increase/(decrease) in provisions	40.17	(18.74)
(Decrease) / increase in non-financial liabilities	(548.59)	417.33
Cash generated from operations	12.08	2,502.33
Net income tax paid	(308.04)	(483.23)
Net cash (used in) / generated from operating activities (A)	(295.96)	2,019.10
B) Cash flow from investing activities		
Purchase of property, plant and equipment.	(2,727.15)	(3,124.60)
Proceeds from sale of property, plant and equipment	12.81	24.67
Bank balance not considered as cash and cash equivalents	(14.88)	(0.75)
Interest received	9.19	9.81
Investment in Associate	(30.82)	(2.50)
Advance received on account of joint development of property	2,628.30	609.10
Tax paid on account of joint development of property	-	(2,500.00)
Dividend received	0.06	0.81
Net cash flow (used in) investing activities (B)	(122.49)	(4,983.46)

Statement of Consolidated Cash Flows for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

	Year ended 31 March 2020	Year ended 31 March 2019
C) Cash flow from financing activities		
Proceeds from long-term borrowings	2,375.00	1,125.00
Repayment of long-term borrowings	(598.35)	(501.06)
Proceeds from Short-term borrowings	-	2,500.00
Net increase in working capital borrowings	(127.21)	679.26
Repayment of principal amount of lease liability	(13.66)	-
Repayment of interest amount on lease liability	(6.12)	-
Interest expense	(952.53)	(730.30)
Dividends and tax thereon paid	(288.38)	(73.17)
Net cash flow from/(used in) financing activities (C)	388.75	2,999.73
Net increase in Cash and cash equivalents (A+B+C)	(29.70)	35.37
Cash and cash equivalents at the beginning of the year	102.47	62.62
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.36	4.48
Cash and cash equivalents at the end of the year	73.13	102.47
Cash and cash equivalents as per the Balance sheet(Refer Note 8)	73.13	102.47

See accompanying notes (1-50) forming part of these consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

Director

DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

BOARDS REPORT

CG REPORT

BR REPORT

STANDALONE

CONSOLIDATED

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

A. Equity share capital

	Equity shares	
	Number (in lakhs)	Amount
As at 01 April 2018	30.00	300.00
Add: Issued and subscribed during the year	90.00	900.00
As at 31 March 2019	120.00	1,200.00
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	120.00	1,200.00

B. Other Equity

	General reserve	Retained earnings	Capital reserve	Total
Balance as at 01 April 2018	596.08	4,592.22	42.41	5,230.71
Additions during the year				
Profit for the year	-	11,939.55	-	11,939.55
Items of the other comprehensive income, net of tax				
Remeasurement gains/(losses) on defined benefit plans	-	(21.09)	-	(21.09)
Reductions during the year:				
Dividends and tax on dividend	-	(72.33)	-	(72.33)
Profit capitalised as part of bonus shares issue	-	(900.00)		(900.00)
Balance as at 31 March 2019	596.08	15,538.35	42.41	16,176.84
Additions during the year				
Profit for the year	-	313.02	-	313.02
Items of the other comprehensive income, net of tax				
Remeasurement gains/(losses) on defined benefit plans	-	(24.20)	-	(24.20)
Reductions during the year:				
Dividends and tax on dividend	-	(289.34)	-	(289.34)
Balance as at 31 March 2020	596.08	15,537.83	42.41	16,176.32

See accompanying notes (1-50) forming part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

Director

DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 1

General Information

Yuken India Limited ('the Company' / 'the Holding Company') was established in 1976 in technical and financial collaboration with Yuken Kogyo Co. Limited, Japan. The Company's manufacturing units are located in Malur, Kolar(dt), Peenya Indl Area, Bengaluru, Mumbai and Haryana. Sales and distribution network is spread across India. The Company is amongst the most preferred source of supply by most of the original equipment manufacturers in India. The Company manufactures a wide range of vane pumps, piston pumps, gear pumps, pressure controls, flow controls, directional controls, modular control valves, servo valves, custom built/standard hydraulic systems and chip compactor.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as 'the Group') and associates listed below:

Name of the entities	Country of incorporation	Ownership interest (%)	
		As on 31 March 2020	As on 31 March 2019
Subsidiaries:			
Yuflow Engineering Private Limited	India	100.00%	100.00%
Coretec Engineering India Private Limited	India	100.00%	100.00%
Grotek Enterprises Private Limited	India	100.00%	100.00%
Kolben Hydraulics Limited	India	85.92%	46.19%
Associates:			
Sai India Limited	India	40.00%	40.00%
Bourton Consulting (India) Private Limited	India	29.54%	29.54%

Assessment of the impact of COVID-19 pandemic on the operations of the Group

The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) as a global pandemic on 11 March 2020. Consequent to this, the Government of India declared a nation-wide lockdown on 23 March 2020 due to which the Group suspended its operations at all its factories and offices in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations by way of supply chain disruptions, closure of customers' site, suspension of travel and unavailability of personnel during the lockdown period.

The Group's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including Property, plant and equipment, Capital work-in-progress, intangible assets, investments, trade receivables and inventories). In developing the assumptions relating to the possible future uncertainties in the domestic/ global economic conditions because of the pandemic, the Group has, as at the date of approval of these consolidated financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Group. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. The actual impact of the pandemic may be different from that estimated as at the date of these consolidated financial results and the Group will continue to monitor any material changes to future economic conditions.

The Central and State Governments have initiated steps to lift the lockdown and the Group will adhere to the same as it resumes its activities. The Group has resumed operations in a phased manner from third week of May 2020 following safety standards and protocols in accordance with government guidelines issued from time to time. The Group will continue to closely observe the evolving scenario and consider any future developments arising out of the same.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 2

Summary of significant accounting policies

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

(b) Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 27 June 2020.

(c) Basis of accounting and preparation

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

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

(d) Use of estimates

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

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

Recognition of deferred tax assets

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

Evaluation of indicators for impairment of assets

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

Provision for warranty

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Recoverability of advances / receivables

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

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013:

Asset Category	Useful lives (in years)
Buildings	30-60
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment and Electrical installations*	5-21
Computer equipment*	3-6

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

(g) Intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Asset Category	Useful lives (in years)
ERP software	5
Technical Fee	5
Intellectual Property	5

(h) Investment properties

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Subsequent measurement

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

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

(i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(j) Revenue recognition

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

Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation), generally on dispatch of the goods.

Dividend income

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

Interest income

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

Rental income

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

Sale of developmental rights under Joint Development Agreement

For projects executed through joint development arrangements, wherein the Company provides land and the Developer undertakes to develop properties on such land and in lieu of the Company providing land, the Developer has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from sale of developmental rights is being accounted on a gross basis when the developmental rights are transferred. The revenue is measured at the estimated standalone selling prices of the residential units that will be received by the Company, adjusted by the amount of any cash or cash equivalents transferred.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(k) Employee benefits

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

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

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

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

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

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

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

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(I) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective 1 April 2019, the Group adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right of use asset is recognised at the same value at which lease liability is recognised. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the standalone financial statements for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹86.84 lakhs, and a lease liability of ₹86.84 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

The following is the summary of practical expedients elected on initial application:

- 1 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- 2 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- 3 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- 4 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.20% p.a.

(m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(o) Inventories

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

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

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

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(p) Investments in associates

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

(q) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(r) Provisions and contingencies

Provisions

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

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

(s) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

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

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

i. Debt instruments at amortised cost

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

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

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

ii. Debt instrument at FVTOCI

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

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

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

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(t) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

(v) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units and other business (foundry), which constitutes multiple reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

(x) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 3: Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Office equipment	Jigs and fixtures	Motor vehicles	Total
Gross carrying amount									
Balance as at 01 April 2018	2,233.84	2,642.57	3,358.77	413.21	84.63	420.42	407.66	19.39	9,580.49
Additions	319.36	383.18	821.14	8.40	38.36	86.99	104.40	7.26	1,769.09
Disposals	-	-	(41.09)	(0.26)	(0.06)	(4.86)	-	(0.60)	(46.87)
Balance as at 31 March 2019	2,553.20	3,025.75	4,138.82	421.35	122.93	502.55	512.06	26.05	11,302.71
Additions	-	210.17	1,061.09	24.18	21.52	65.81	83.04	0.43	1,466.24
Disposals	-	(0.48)	(20.94)	(8.51)	(0.43)	(15.81)	-	(0.75)	(46.92)
Balance as at 31 March 2020	2,553.20	3,235.44	5,178.97	437.02	144.02	552.55	595.10	25.73	12,722.03
Accumulated depreciation									
Balance as at 01 April 2018	-	582.53	640.46	47.30	19.17	114.72	62.69	10.70	1,477.57
Depreciation for the year	-	81.61	361.85	26.90	10.85	59.35	40.83	2.53	583.92
Disposals	-	-	(14.13)	(0.05)	(0.03)	(4.29)	-	(0.13)	(18.63)
Balance as at 31 March 2019	-	664.14	988.18	74.15	29.99	169.78	103.52	13.10	2,042.86
Depreciation for the year	-	101.91	420.42	27.28	13.81	66.72	47.19	2.05	679.38
Disposals	-	(0.04)	(13.08)	(1.64)	(0.27)	(9.04)	-	(0.17)	(24.24)
Balance as at 31 March 2020	-	766.01	1,395.52	99.79	43.53	227.46	150.71	14.98	2,698.00
Net carrying amount									
Balance as at 31 March 2019	2,553.20	2,361.61	3,150.64	347.20	92.94	332.77	408.54	12.95	9,259.85
Balance as at 31 March 2020	2,553.20	2,469.43	3,783.45	337.23	100.49	325.09	444.39	10.75	10,024.03

Note:

(a) **Contractual obligations**

There are no contractual commitments for the acquisition of property, plant and equipment.

(b) **Capitalised borrowing cost**

The amount of borrowing costs capitalised during the year ended 31 March 2020 is ₹120.68 lakhs (31 March 2019: Nil).

(c) **Property, plant and equipment pledged as security**

Details of properties pledged are as per note 17.

Note 4: Intangible assets

	ERP software	Technical fee	Intellectual property	Others	Total
Gross carrying amount					
Balance as at 01 April 2018	149.31	4.06	-	203.39	356.76
Additions	7.95	-	-	11.00	18.95
Disposals	-	-	-	-	-
Balance as at 31 March 2019	157.26	4.06	-	214.39	375.71
Additions	81.56	-	147.91	-	229.47
Disposals	-	-	-	-	-
Balance as at 31 March 2020	238.82	4.06	147.91	214.39	605.18
Accumulated amortisation					
Balance as at 01 April 2018	54.30	4.05	-	9.52	67.87
Amortisation for the year	21.35	-	-	14.63	35.98
Disposals	-	-	-	-	-
Balance as at 31 March 2019	75.65	4.05	-	24.15	103.85
Amortisation for the year	44.78	-	16.42	-	61.20
Disposals	-	-	-	-	-
Balance as at 31 March 2020	120.43	4.05	16.42	24.15	165.05

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 4: Intangible assets (Contd.)

	ERP software	Technical fee	Intellectual property	Others	Total
Net carrying amount					
Balance as at 31 March 2019	81.61	0.01	-	190.24	271.86
Balance as at 31 March 2020	118.39	0.01	131.49	190.24	440.13

Note 5: Right of use asset

	Servers	Total
Gross carrying amount		
Balance as at 01 April 2018	-	-
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	-	-
Additions	86.84	86.84
Disposals	-	-
Balance as at 31 March 2020	86.84	86.84
Accumulated Amortisation		
Balance as at 01 April 2018	-	-
Amortisation for the year	-	-
Disposals	-	-
Balance as at 31 March 2019	-	-
Amortisation for the year	15.91	15.91
Disposals	-	-
Balance as at 31 March 2020	15.91	15.91
Net carrying amount		
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	70.93	70.93

Note 6: Investments

	As at 31 March 2020	As at 31 March 2019
Valued at cost		
Investment in equity shares of associates		
Sai India Limited	429.25	414.37
360,000 equity shares (31 March 2019: 360,000) of ₹10 each		
Kolben Hydraulics Limited (refer note (A) below)	-	(8.64)
8,59,700 equity shares (31 March 2019: 4,62,200) of ₹10 each		
Bourton Consulting (India) Private Limited	7.04	8.22
37,300 equity shares (31 March 2019: 37,300) of ₹10 each		
Investments measured at fair value through OCI		
Hycor Engineering (India) Private Limited	94.13	94.13
941,330 equity shares (31 March 2019: 941,330) of ₹10 each		
The Shamrao Vittal Co-operative Bank Limited	0.50	0.50
2,000 equity shares (31 March 2019: 2,000) of ₹25 each		
Less : Provision for other than temporary diminution in value	(94.63)	(94.63)
	436.29	413.95

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 6: Investments (Contd.)

Note

(A) Investment in Kolben Hydraulics Limited

The Holding Company in its meeting of the Board of Directors held on 28 May 2019 approved the purchase of additional shares in Kolben Hydraulics Limited ('KHL'). The Company w.e.f 1 July 2019 has increased its shareholding from 46.19% to 85.92% post which KHL has been accounted as a subsidiary.

Note 7: Loans

	As at 31 March 2020	As at 31 March 2019
Non-current		
<i>(Unsecured, considered good)</i>		
Loan to employees	1.02	0.68
Others	0.20	0.20
	1.22	0.88
Current		
<i>(Unsecured, considered good)</i>		
Loan to employees	9.55	27.91
	9.55	27.91

Note 8: Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	5.49	4.14
Balances with banks		
(i) In current account	55.87	77.02
(ii) In EEFC account	11.77	21.31
	73.13	102.47

Note 9: Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
In earmarked accounts		
(i) Unpaid dividend accounts	6.36	5.40
(ii) Balance held as margin money	60.12	46.20
	66.48	51.60

Note 10: Other financial assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits	20.19	5.70
Balance held as margin money	11.13	18.31
	31.32	24.01
Current		
Security deposits	244.74	199.30
Interest accrued on deposits	8.79	5.87
Other receivables	50.00	50.00
	303.53	255.17

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for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 11: Income tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Current		
Advance income tax	184.34	72.23
	184.34	72.23

Note 12: Non-financial assets

	As at 31 March 2020	As at 31 March 2019
Non-financial assets		
Non-current		
Prepaid expenses	4.50	9.12
Capital advances	261.58	689.77
	266.08	698.89
Current		
Advance to related parties	-	131.04
Advance to suppliers	173.19	235.29
Prepaid expenses	162.25	170.94
Duty drawback receivable	10.61	10.46
Balances with government authorities	117.34	25.66
Others	1.14	33.65
	464.53	607.04

Note 13: Inventories

	As at 31 March 2020	As at 31 March 2019
<i>(Lower of cost or net realisable value)</i>		
Raw materials and components	2,259.16	1,981.93
Goods-in-transit - raw material	23.38	27.63
Work-in-progress	1,088.25	1,143.87
Finished goods (other than those acquired for trading)	1,758.51	1,359.70
Stock-in-trade	230.54	319.28
Residential units from Joint development of property	13,546.88	13,546.88
	18,906.72	18,379.29

Note 14: Trade receivables

	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured)</i>		
Considered good	7,801.22	9,577.30
Considered doubtful	158.12	131.67
	7,959.34	9,708.97
Less: Allowances for doubtful trade receivables	158.12	131.67
	7,801.22	9,577.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 15: Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	1,20,00,000	1,200.00	1,20,00,000	1,200.00
(a) Reconciliation of the number of shares				
Equity shares of ₹10 each, par value				
Balance as at the beginning of the year	1,20,00,000	1,200.00	30,00,000	300.00
Add: Issued and subscribed during the year	-	-	90,00,000	900.00
Balance at the end of the year	1,20,00,000	1,200.00	1,20,00,000	1,200.00

(b) Terms and rights attached to equity shares

The Holding company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation, the shareholders will be entitled to receive remaining assets of the Holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares

	As at 31 March 2020		As at 31 March 2019	
	Number	Percentage	Number	Percentage
Equity shares of ₹10 each, par value				
Yuken Kogyo Co Limited	48,00,000	40.00%	48,00,000	40.00%
Benefic Investments & Finance Co Private Limited	13,91,808	11.60%	13,91,808	11.60%

- (d) During the previous year, the Holding company had issued 9,000,000 fully paid equity shares of face value ₹10 each pursuant to a bonus issue approved by the shareholders through e-voting and physical ballot. The bonus shares were issued by capitalization of profits transferred from its reserves. In the period of five years immediately preceding the Balance Sheet date, the Holding company has not bought back any shares.
- (e) The Board of Directors, in its meeting held on 27 June 2020, proposed a final dividend of ₹0.60 per equity share. The proposal is subject to the approval of shareholders at the upcoming Annual General Meeting and if approved would result in a cash outflow of ₹72 lakhs.

Note 16: Other equity

	As at 31 March 2020	As at 31 March 2019
General reserve	596.08	596.08
Capital reserve	42.41	42.41
Surplus in Statement of Profit and Loss	15,537.83	15,538.35
	16,176.32	16,176.84

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings

	As at 31 March 2020	As at 31 March 2019
Non-current		
<i>(Secured)</i>		
Term loans from banks	4,088.27	2,311.60
	4,088.27	2,311.60
Less:- Current maturities of long-term borrowings	1,242.71	498.32
	2,845.56	1,813.28
Current		
<i>(Secured)</i>		
Loans repayable on demand from banks	8,177.31	7,533.70
<i>(Unsecured)</i>		
Working capital demand loans from banks	509.18	1,280.00
	8,686.49	8,813.70

Details of limit, repayment, rate of interest, guarantee and security

(a) Secured Term Loans from Banks (refer notes below)

	As at 31 March 2020	As at 31 March 2019
Mizuho Bank Limited		
Loan limit	1,695.25	1,695.25
Loan availed	1,695.25	1,695.25
Amount outstanding	697.25	1,096.45
Repayable in 17 quarterly instalments without moratorium		
Interest rate - 8.75% (31 March 2019: 9.40%)		
Mizuho Bank Limited		
Loan limit	2,000.00	2,000.00
Loan availed	2,000.00	500.00
Amount outstanding	1,867.50	500.00
Repayable in 15 quarterly instalments with 1 year moratorium		
Interest rate - 8.00% (31 March 2019: 9.10%)		
HDFC Bank Limited (subsidiary)		
Loan limit	150.00	150.00
Loan availed	130.22	130.22
Amount outstanding	50.08	90.15
Repayable in 4 years with 6 months moratorium in quarterly instalments		
MCLR rates		
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	500.00	500.00
Loan availed	500.00	100.00
Amount outstanding	500.00	100.00
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

	As at 31 March 2020	As at 31 March 2019
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	1,000.00	1,000.00
Loan availed	1,000.00	525.00
Amount outstanding	973.44	525.00
Repayable in 16 quarterly instalments years with 1 year moratorium		
MCLR rates		

Notes

(i) **Security Details for the term loan taken from Mizuho Bank Limited:**

- a Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,900 lakhs

(ii) **Security Details for the term loans taken from HDFC Bank Limited (subsidiary):**

- a Primary : First charge on fixed assets, stock and book debts of the subsidiary.
b Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Mahadevapura, Bangalore.

(iii) **Security Details for the term loans taken from Sumitomo Mitsui Banking Corporation (subsidiary):**

Letter of Guarantee from Yuken India Limited amounting to ₹1500 lakhs

(b) **Secured working capital loans from banks (refer notes below)**

	As at 31 March 2020	As at 31 March 2019
Mizuho Bank Limited		
Loan limit	2,300.00	2,300.00
Amount outstanding	2,300.00	2,300.00
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited		
Loan limit	1,200.00	1,200.00
Amount outstanding	4.64	702.13
Repayable on demand		
Interest rate - MCLR rates + 1.65% (31 March 2019: MCLR + 1.35%)		
Mizuho Bank Limited		
Loan limit	2,500.00	2,500.00
Amount outstanding	2,500.00	2,500.00
Repayable on demand		
Interest rate - MCLR rates		
State Bank of India (SBI)		
Loan limit	1,000.00	1,000.00
Amount outstanding	(24.42)	562.05
Repayable on demand		
Interest rate - MCLR rates + 2.30% (31 March 2019: MCLR + 1.45%)		
Sumitomo Mitsui Banking Corporation (SMBC)		
Loan limit	5,000.00	-
Amount outstanding	2,084.13	-
Repayable on demand		
Interest rate - MCLR rates		

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

	As at 31 March 2020	As at 31 March 2019
HDFC Bank Limited (subsidiary)		
Loan limit	600.00	600.00
Amount outstanding	515.00	471.35
Repayable on demand		
Interest rate - MCLR rates		
HDFC Bank Limited (subsidiary)		
Loan limit	500.00	500.00
Amount outstanding	497.96	498.17
Repayable on demand		
Interest rate - MCLR rates		
Sumitomo Mitsui Banking Corporation (SMBC) (subsidiary)		
Loan limit	600.00	600.00
Amount outstanding	300.00	500.00
Repayable on demand		
Interest rate - MCLR rates		

Notes

Details of security given

State Bank of India (SBI)

- (i) Primary security : Hypothecation on stocks, receivables and other current assets-paripassu charge with HDFC Bank Limited
- (ii) Collateral security details:
 - (a) Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.
 - (b) Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.
 - (c) Hypothecation of unencumbered fixed assets of the Holding Company

HDFC Bank Limited

- (i) First pari pasu charge on stocks, book debts and other current assets with SBI Bank
- (ii) First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur
- (iii) Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur
- (iv) First charge on all movable fixed assets of the Holding Company - first paripassu charge with SBI Bank

Mizuho Bank Limited

- (i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹4,800 lakhs

Sumitomo Mitsui Banking Corporation

- (i) Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000 lakhs

HDFC Bank Limited (subsidiary)

- (i) Primary : First charge on fixed assets, stock and book debts of the subsidiary.
- (ii) Secondary : Corporate guarantee given by Yuken India Limited

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 17: Borrowings (Contd.)

HDFC Bank Limited (subsidiary)

- (i) Primary : First charge on fixed assets, stock and book debts of the subsidiary.
- (ii) Secondary : Corporate guarantee given by Yuken India Limited and equitable mortgage of property at B59, Dyavasandra Industrial Estate Mahadevapura, Bengaluru.

Sumitomo Mitsui Banking Corporation (subsidiary)

- (i) Letter of Guarantee from Yuken India Limited amounting to ₹600 lakhs

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	As at 31 March 2020	As at 31 March 2019
Term Loans and loans repayable on demand		
Land and building (Net carrying value)	4,209.37	4,190.31
Stock	5,230.45	4,832.41
Trade receivables	7,779.79	9,577.30
Other current assets	742.35	795.40
Movable fixed assets	4,887.46	4,347.34

Note 18: Lease liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Lease liabilities (refer note 46)	57.72	-
	57.72	-
Current		
Lease liabilities (refer note 46)	15.48	-
	15.48	-
Movement in lease liabilities		
Balance at the beginning of the year	-	-
Lease liability recognised on account of adoption of Ind AS 116	86.84	-
Finance cost incurred during the year	6.14	-
Payment of lease liabilities	(19.78)	-
Balance at the end of the year	73.20	-
Details of lease limit, repayment and rate of interest		
Lease limit	86.84	-
Amount outstanding	73.20	-
Repayable in 60 monthly instalments without moratorium		
Interest rate - 9.20%		

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 19: Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit received towards joint development of property	694.16	630.89
Others	2.97	2.82
	697.13	633.71
Current		
Trade / security deposits received	552.51	489.37
Payable to employees	281.82	366.35
Current maturities of long-term borrowings (refer note 17)	1,242.70	498.32
Interest accrued but not due on borrowings	16.02	1.42
Unpaid dividends	6.35	5.40
Payables on purchase of fixed assets	95.16	211.50
Interest accrued on trade payables strike off	20.16	2.42
Forward contract	-	2.40
Accrued liabilities	226.70	226.25
Commission payable on account of Joint development of property	95.31	273.09
Others	2.55	2.62
	2,539.28	2,079.14

Note 20: Provisions

	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for defined benefit obligations (refer note 40)	253.87	172.67
	253.87	172.67
Current		
Provision for compensated absences (refer note 40)	261.41	247.42
Provision for superannuation (refer note 40)	107.63	121.91
	369.04	369.33

Note 21: Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	557.05	648.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,770.85	6,232.52
	4,327.90	6,881.50

Note 22: Income tax liabilities

	As at 31 March 2020	As at 31 March 2019
Provision for tax	0.15	379.56
	0.15	379.56

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 23: Other non-financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Deferred liability on discounting of deposits	188.84	255.51
	188.84	255.51
Current		
Statutory remittances	85.21	278.49
Deferred liability on discounting of deposits	66.67	66.67
Advance from customers	3,814.82	1,345.62
	3,966.70	1,690.78

Note 24: Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products (refer note 45)	24,087.39	33,812.17
	24,087.39	33,812.17
Other operating revenues		
Training and other services rendered	113.21	101.38
Duty drawback	15.36	27.75
	128.57	129.13
	24,215.96	33,941.30

Note 25: Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income:		
- on deposits with banks	4.47	3.12
- on overdue trade receivables	104.53	103.65
- on others	7.64	7.23
Dividend income	0.06	0.81
Liabilities/ provisions no longer required written back	60.94	289.10
Sale of scrap	49.67	33.41
Gain on equity Interest (as result of step acquisition)	35.28	-
Miscellaneous income	143.72	124.43
	406.31	561.75

Note 26: Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	1,981.93	1,911.64
Add: Purchases	10,514.28	15,582.91
	12,496.21	17,494.55
Less: Closing stock	2,259.16	1,981.93
	10,237.05	15,512.62

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 27: Purchases of stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of traded goods	929.29	1,827.89
	929.29	1,827.89

Note 28: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the end of the year:		
Finished goods	1,758.51	1,359.70
Work-in-progress	1,088.25	1,142.20
Stock-in-trade	230.54	319.28
	3,077.30	2,821.18
Inventories at the beginning of the year:		
Finished goods	1,359.70	746.76
Work-in-progress	1,142.20	1,178.45
Stock-in-trade	319.28	33.19
	2,821.18	1,958.40
	(256.12)	(862.78)

Note 29: Employee benefits expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	3,353.97	3,715.32
Contributions to provident and other funds (refer note 40)	356.87	355.78
Staff welfare expenses	240.94	243.16
	3,951.78	4,314.26

Note 30: Finance costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on borrowings	951.91	718.42
Interest on dealers deposits and others	102.35	64.98
Interest on income tax	33.83	5.38
	1,088.09	788.78

Note 31: Depreciation and amortisation expense

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3)	679.38	583.92
Amortisation on intangible assets (refer note 4)	61.20	35.98
Amortisation on right to use assets (refer note 5)	15.91	-
	756.49	619.90

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 32: Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	207.14	311.68
Tools consumed	126.33	273.45
Consumption of packing materials	277.50	428.07
Subcontracting	1,842.49	3,006.62
Contract Labour wages	975.46	1,130.32
Power and fuel	1,152.73	1,423.37
Rent including lease rentals	224.71	191.97
Repairs and maintenance - Buildings	122.45	129.37
Repairs and maintenance - Machinery	365.71	387.09
Repairs and maintenance - Others	44.71	41.97
Vehicle maintenance	47.19	46.63
Insurance	42.05	36.02
Rates and taxes	45.04	56.08
Travelling and conveyance	615.66	701.78
Freight and forwarding	428.29	484.35
Legal and professional charges	462.26	390.75
Remuneration to auditors (refer note below)	36.84	28.61
Bad debts written off	50.99	224.09
Loss on sale or scrapping of fixed assets	9.83	3.57
Net loss on foreign currency transactions and translations	49.26	93.45
Provision for doubtful trade receivables	62.00	72.53
Corporate social responsibility expenses (refer note 49)	7.33	6.61
Miscellaneous expenses	666.79	779.73
	7,862.76	10,248.11

Remuneration to auditors comprises (excluding applicable taxes):

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	29.23	24.25
Tax audit	2.83	2.25
Other services	3.00	1.30
Reimbursement of expenses	1.78	0.81
	36.84	28.61

Note 33: Exceptional items

	Year ended 31 March 2020	Year ended 31 March 2019
Estimated revenue from sale of developmental rights	-	13,546.89
Less: Cost of Land	-	(64.90)
Net profit on sale of developmental rights from Joint development of property	-	13,481.99
Less: expenses incurred towards Joint development of property	-	(434.17)
Net profit on sale of Developmental rights	-	13,047.82

The Holding Company ('the landowner') had entered into a Joint Development Agreement ('JDA') with Brigade Enterprises Limited ('the Developer') for construction of a multi-storied residential building. As per the agreement, the Company was required to provide the land and the developer would construct the residential building. In accordance with the same, the Company provided a land with a carrying book value of ₹64.90 lakhs. The land which was earlier recorded as Investment property was derecognised in the previous year.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 33: Exceptional items (Contd.)

The Holding Company had sold its land developmental rights and in consideration of giving up the developmental rights, the Holding Company will receive a fixed percentage of the total built up area, i.e., its share of developed residential apartments.

The above 'Joint development arrangement' comprises of the following:

- Sale of development rights in lieu of construction services provided by the Developer
- Sale of Company's share of apartments in lieu of revenue sharing to the extent of the total built-up area received

During the year ended 31 March 2019, the sale of developmental rights had taken place and hence the Holding Company had accordingly recorded the revenue from the sale of such rights. The sale of developmental rights is in exchange of construction services and hence was accounted as 'non-cash consideration' under Ind AS 115. In accordance with Para 66 of Ind AS 115 - Revenue from contract with customers, the consideration for the sale of development rights was measured at the estimated standalone selling price of the residential units. The non-cash consideration was accounted as an exceptional item.

Estimates and Assumptions:

For projects executed through joint development arrangements, the revenue from the sale of development rights was measured at the estimated standalone selling price of the residential units. The standalone selling price was estimated with reference to the total residential unit bookings made till 31 March 2019 and the related cost that was allocated to discharge the obligation of the Holding Company under JDA. Standalone selling price was considered to be representative of the revenue transaction and land so given up. Such assessment was carried out at the launch of the real estate project and is not reassessed at each reporting period. The Management is of the view that the standalone selling price and estimates are reflective of the current market condition.

Note 34: Earnings per share

	Year ended 31 March 2020	Year ended 31 March 2019
Basic and diluted		
Net profit for the year attributable to the equity shareholders	302.33	11,939.55
Weighted average number of equity shares	1,20,00,000	1,20,00,000
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic and diluted	2.52	99.50

Note 35: Contingencies and commitments

	As at 31 March 2020	As at 31 March 2019
Contingent liabilities		
Disputed income tax liabilities		
(i) AY 2009-10	19.10	19.10
(ii) AY 2011-12	4.37	4.37
(iii) AY 2012-13	10.83	19.03
(iv) AY 2014-15	16.26	16.26
(v) Other years	8.28	12.29
	58.84	71.05

The Hon'ble Supreme Court of India had passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Group had made provision for provident fund contribution from the date of order. The Group will evaluate its position and update provision, if required, after receiving further clarity in the regard.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 35: Contingencies and commitments (Contd.)

	As at 31 March 2020	As at 31 March 2019
Commitments		
Capital commitments	672.18	985.68
	672.18	985.68

Note 36: Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statement based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the Balance Sheet date.

	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	557.05	648.98
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	2.42	0.60
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	0.11
The amount of interest due and payable for the year	20.66	7.17
The amount of interest accrued and remaining unpaid at the end of the accounting year	23.08	7.66

Note 37: Amounts remitted in foreign currency during the year on account of dividends paid

	Year ended 31 March 2020	Year ended 31 March 2019
Amount of dividends remitted in foreign currency	96.00	24.00
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	48,00,000	12,00,000
Years to which dividend relates	2018-19	2017-18

Note 38: Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity having significant influence. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 38: Capital management (Contd.)

	As at 31 March 2020	As at 31 March 2019
Borrowings (refer note 17)	12,774.76	11,125.30
Trade payables (refer note 21)	4,327.90	6,881.50
Less: Cash and short term deposits (refer note 8)	(73.13)	(102.47)
Less: Bank balances other than cash and cash equivalents (refer note 9)	(66.48)	(51.60)
Net debt	16,963.05	17,852.73
Equity	1,200.00	1,200.00
Other equity	16,176.32	16,176.84
Capital and net debt	34,339.37	35,229.57
Gearing ratio	49%	51%

Note 39: Income Tax

	Year ended 31 March 2020	Year ended 31 March 2019
The major components of income tax expense are:		
Current income tax:		
Current tax	70.06	3,255.66
MAT credit entitlement	(5.81)	(142.11)
Tax reversal for prior periods	(270.27)	(3.46)
MAT credit entitlement of prior periods	(18.12)	-
	(224.14)	3,110.09
Deferred tax charge/ (credit)		
Relating to the origination and reversal of temporary differences	(11.39)	96.02
Income tax expense reported in Statement of Profit and Loss	(235.53)	3,206.11
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(6.13)	3.80
	(6.13)	3.80
	(241.66)	3,209.91

	As at 31 March 2020	As at 31 March 2019
Reconciliation of deferred tax liabilities (net)		
Opening balance	345.89	246.05
Tax expense/(credit) during the year recognised in Statement of Profit and Loss	(11.39)	96.02
Tax expense/(credit) during the year recognised in OCI	(6.13)	3.82
Additions on account of acquisition of subsidiary	37.39	-
Closing balance	365.76	345.89

	As at 31 March 2020	As at 31 March 2019
Reconciliation of deferred tax assets (net)		
Opening balance	142.11	64.54
Additions during the year	5.81	142.11
Additions pertaining to prior periods	18.12	-
Additions on account of acquisition of subsidiary	55.47	-
Less: Utilized during the year	(12.64)	(64.54)
Closing Balance	208.87	142.11

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 39: Income Tax (Contd.)

Reconciliation of tax expense/(benefit) and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	52.93	15,102.09
Add/(less):- Intra group eliminations	(0.63)	63.48
Accounting profit	52.30	15,165.57
Add: (profit)/loss of subsidiary considered separately	365.04	(167.63)
Accounting profit before tax after adjustments	417.34	14,997.94
Tax on accounting profit at statutory income tax rate [27.82%] (PY 29.12%)	116.10	4,367.40
Tax on subsidiary at lower rate [26%,27.82%](PY 26%,27.82%)	(95.09)	49.29
Reconciling items:		
Expenses/(Incomes) disallowed under Income tax Act, 1961	6.31	(6.73)
Deferred tax not created on unabasorbed losses	44.87	(32.58)
Additional deductions on new employment	(2.42)	(5.47)
Tax reduction on account of Indexation w.r.t transfer of capital asset	-	(489.21)
Tax reduction on account of special rates of tax on Income	-	(661.61)
Tax reversals of prior years	(270.27)	-
MAT credit of prior years	(18.12)	-
Deferred tax of prior years	-	5.68
Change in effective rate of taxation from 29.12% to 27.82% (PY 34.608% to 29.12%)	(16.91)	(20.67)
At the effective income tax rate of (27.82%-26%) (PY 29.12%-26%)	(235.53)	3,206.11
Income tax expense /(benefit) reported in the Statement of Profit and Loss	(235.53)	3,206.11

Details of items disclosed under deferred tax liabilities:

	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Provision for employee benefits	145.56	128.30
Allowance for trade receivables	43.99	38.19
Fair value measurement of financial asset/liability	26.32	28.25
Brought forward losses	127.14	69.59
Temporary differences on account of business combination	129.82	129.82
Deferred tax liability		
Depreciation and amortisation	838.59	740.04
Deferred tax (liability), net	(365.76)	(345.89)

Details of items disclosed under deferred tax asset:

	As at 31 March 2020	As at 31 March 2019
MAT credit entitlement	153.40	142.11
Brought Forward losses	55.47	-
Deferred tax asset, net	208.87	142.11

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Defined benefit obligations

The Group has provided for the gratuity liability and leave encashment (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the balance sheet date.

A Defined benefit contributions

The Group makes contributions to statutory provident fund as per the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Group recognised ₹167.09 lakhs (31 March 2019: ₹158.16 lakhs) for provident fund contributions and ₹116.11 lakhs (31 March 2019: ₹129.02 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

B Defined benefit plans

The Group has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the balance sheet date. The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

b Liquidity risk

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

f Asset liability mismatching or market risk

The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

g Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Defined benefit obligations (Contd.)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :

	As at 31 March 2020	As at 31 March 2019
Current service cost	39.29	36.91
Past service cost	-	-
Interest cost	36.31	32.21
Expected return on plan assets	(22.94)	(17.63)
Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss	52.66	51.49
Re-measurement on the net defined benefit liability		
Actuarial gains and losses arising from change in financial , demographic and experience adjustments	24.96	13.93
Return on plan assets excluding amount recognised in net interest expense	5.37	3.35
Components of defined benefit costs recognised in other comprehensive income	30.33	17.28
Actual contribution and benefit payments for year		
Actual benefit payments	81.32	26.87
Actual contributions	1.00	75.00
Net asset / (liability) recognised in the Consolidated Balance Sheet		
Present value of defined benefit obligations	(494.11)	(470.43)
Fair value of plan assets	239.71	297.25
Net asset / (liability) recognised in the Consolidated Balance Sheet	(254.40)	(173.19)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at the beginning of the year	470.43	414.24
Current service cost	39.29	36.91
Past service cost	4.43	-
Interest cost	36.31	32.21
Actuarial (gains) / losses	24.96	13.94
Benefits paid	(81.32)	(26.87)
Present value of DBO at the end of the year	494.11	470.43
Change in fair value of assets during the year		
Plan assets at the beginning of the year	297.25	226.29
Expected return on plan assets	22.94	17.63
Actual Group contributions	1.00	75.00
Actuarial gains / (losses)	(5.37)	(3.35)
Benefits paid	(76.11)	(18.32)
Plan assets at the end of the year	239.71	297.25
Actual return on plan assets	17.57	14.28
Composition of the plan assets is as follows:		
Others- Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	6.75%	7.70%
Expected return on plan assets	7.00%	7.50%

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Defined benefit obligations (Contd.)

	As at 31 March 2020	As at 31 March 2019
Salary escalation	2.00% for first 2 years and 5% thereafter	5.00%
Attrition		
- Below 44 years	2.00%	2.00%
- 44 years and above	1.00%	1.00%

Note

- The Group is estimated to contribute ₹195.04 lakhs (previous year - ₹127.33 lakhs) towards gratuity funds during the next year.
- Details of fund assets which are managed by an insurance Group have not been disclosed since the details have not been provided by them.
- The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at 31 March 2020	As at 31 March 2019
Impact of change in the discount rate		
Impact due to increase of 1%	(42.42)	(39.55)
Impact due to decrease of 1%	49.44	45.79
Impact of change in the salary growth rate		
Impact due to increase of 1%	49.69	46.04
Impact due to decrease of 1%	(43.27)	(40.33)
Impact of change in the attrition rate		
Impact due to increase of 50%	4.68	6.38
Impact due to decrease of 50%	(5.14)	(6.98)
Impact of change in the mortality rate		
Impact due to increase of 10%	0.23	0.35
Impact due to decrease of 10%	(0.24)	(0.36)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

Effect of plan on entity's future cash flows

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Group carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group. The weighted average duration of the plan is estimated to be 10 years. Following is a maturity profile of the defined benefit obligation:

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 40: Defined benefit obligations (Contd.)

Expected cash flows over the next: (valued on undiscounted basis)

	As at 31 March 2020	As at 31 March 2019
1 year	27.55	33.54
2 - 5 years	178.70	155.19
6 - 10 years	242.87	278.56
More than 10 years	640.37	652.00

Compensated absences

	As at 31 March 2020	As at 31 March 2019
Charge in the Consolidated Statement of Profit and Loss	71.32	68.67
Liability as at the year end	232.90	248.48
Actuarial assumptions		
Discount rate	6.75%	7.70%
Salary escalation	2.00% for first 2 years and 5% thereafter	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 consolidated 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.

Note 41: Segment information

The Managing Director of the Holding Company has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Group performance and allocates resources based on hydraulic business performance and other business performance. Accordingly the segment information has been presented.

The Group has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the Group's revenues for the reporting period. Hence geographical segment is not reported. Business segments are primarily hydraulic business segment and other business segment. Hydraulic business segment consists of hydraulic pumps, valves and hydraulic systems. Other business segment consists of cast iron castings (foundry business). Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

	Year ended 31 March 2020				
	Hydraulic business	Other business	Eliminations	Unallocated	Total
Revenue from sale of products	22,980.65	4,522.15	(2,266.27)	-	25,236.53
Operating income	132.57	0.48	(4.48)	-	128.57
Less: Inter segment revenue	(87.16)	(1,061.98)	-	-	(1,149.14)
	23,026.06	3,460.65	(2,270.75)	-	24,215.96
Segment result before interest, other income and taxes	2,730.26	(67.60)	117.72	(2,045.67)	734.71
Add: Other income	231.67	90.55	(152.39)	236.48	406.31
Less: Finance costs	-	-	-	(1,088.09)	(1,088.09)
Profit/(loss) before taxes	2,961.93	22.95	(34.67)	(2,897.28)	52.93
Exceptional item	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Segment information (Contd.)

	Year ended 31 March 2020				
	Hydraulic business	Other business	Eliminations	Unallocated	Total
Profit/(loss) before tax after exceptional items	-	-	-	-	52.93
Taxes	-	-	-	-	(235.53)
Profit/(loss) after taxes	-	-	-	-	288.46
Add:- Share of profit/(loss) of associates	-	-	-	-	13.87
Add:- Other comprehensive Income	(21.28)	(0.18)	-	(8.87)	(30.33)
Taxes	-	-	-	-	(6.13)
Total Comprehensive Income					278.13

	Year ended 31 March 2019				
	Hydraulic business	Other business	Eliminations	Unallocated	Total
Revenue from sale of products	31,369.27	6,820.13	(2,840.61)	-	35,348.79
Operating income	130.92	-	(1.79)	-	129.13
Less:- Inter segment revenue	(79.04)	(1,457.58)	-	-	(1,536.62)
	31,421.15	5,362.55	(2,842.40)	-	33,941.30
Segment result before interest, other income and taxes	4,313.25	294.53	67.94	(2,394.42)	2,281.30
Add:Other income	285.34	115.64	(174.99)	335.76	561.75
Less: Finance costs	-	-	-	(788.78)	(788.78)
Profit/(loss) before taxes	4,598.59	410.17	(107.05)	(2,847.44)	2,054.27
Exceptional Item	-	-	-	13,047.82	13,047.82
Profit before tax after exceptional items	-	-	-	-	15,102.09
Taxes	-	-	-	-	3,206.11
Profit/(loss) after taxes	-	-	-	-	11,895.98
Add:- Share of profit/(loss) of associates	-	-	-	-	43.57
Add:- Other comprehensive Income	(10.96)	(1.57)	-	(4.76)	(17.29)
Taxes	-	-	-	-	3.80
Total Comprehensive Income	-	-	-	-	11,918.46

Note:

Assets and liabilities used in the Group's business are not identified to any of the operating segments, as they can be used interchangeably between segments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 41: Segment information (Contd.)

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Revenues from external customers for each product or each group of similar products		
Sale of products	24,215.96	33,941.30
	24,215.96	33,941.30
Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues		
India	23,482.99	33,191.69
Outside India	732.97	749.61
	24,215.96	33,941.30
Non-current assets (other than financial instruments and deferred tax assets) located in the Group's country of domicile and in all foreign countries in which the Group holds assets		
India	13,042.94	11,122.34
Outside India	-	-
	13,042.94	11,122.34
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale		
Revenue from top customer	1,725.37	2,090.39
Percentage	7.12%	6.16%

Note 42: Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	6	436.29	-	0.00
Loans	7			
Loan to employees		10.57	-	-
Others		0.20	-	-
Cash and cash equivalents	8	73.13	-	-
Bank balances other than cash and cash equivalents	9	66.48	-	-
Other financial assets	10			
Balance held as margin money account		11.13	-	-
Security deposits		264.93	-	-
Interest accrued on deposits		8.79	-	-
Other receivables		50.00	-	-
Trade receivables	14	7,801.22	-	-
Total		8,722.74	-	-
Liabilities:				
Borrowings	17	11,532.05	-	-
Trade payables	21	4,327.90	-	-
Lease liabilities	18	73.20		
Other financial liabilities	19			
Security deposit received towards joint development of property		694.16	-	-
Trade / security deposits received		555.48	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows: (contd.)

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Payable to employees		281.82	-	-
Current maturities of long-term borrowings		1,242.70	-	-
Interest accrued but not due on borrowings		16.02	-	-
Unpaid dividends		6.35	-	-
Payables on purchase of fixed assets		95.16	-	-
Interest accrued on trade payables		20.16	-	-
Commission payable on account of Joint development of property		95.31	-	-
Forward contract		-	-	-
Accrued liabilities		226.70	-	-
Others		2.55	-	-
Total		19,169.56	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	6	413.95	-	0.00
Loans	7			
Loan to employees		28.59	-	-
Others		0.20	-	-
Cash and cash equivalents	8	102.47	-	-
Bank balances other than cash and cash equivalents	9	51.60	-	-
Other financial assets	10			
Balance held as margin money account		18.31	-	-
Security deposits		205.00	-	-
Interest accrued on deposits		5.87	-	-
Other receivables		50.00	-	-
Trade receivables	14	9,577.30	-	-
Total		10,453.29	-	-
Liabilities:				
Borrowings	17	10,626.98	-	-
Trade payables	21	6,881.50	-	-
Lease liabilities	18	-	-	-
Other financial liabilities	19			
Security deposit received towards joint development of property		630.89	-	-
Trade / security deposits received		492.19	-	-
Payable to employees		366.35	-	-
Current maturities of long-term borrowings		498.32	-	-
Interest accrued but not due on borrowings		1.42	-	-
Unpaid dividends		5.40	-	-
Payables on purchase of fixed assets		211.50	-	-
Interest accrued on trade payables		2.42	-	-
Forward contract		-	2.40	-
Commission payable on account of Joint development of property		273.09	-	-
Accrued liabilities		226.25	-	-
Others		2.62	-	-
Total		20,218.93	2.40	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 42: Fair value measurements (Contd.)

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	0.00
Derivative financial liability	19	-	-	-	-
As at 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	6	-	-	0.00	0.00
Derivative financial liability	19	-	2.40	-	2.40

Note 43: Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

Assets under credit risk

	As at 31 March 2020	As at 31 March 2019
Investments	436.29	413.95
Loan to employees	10.57	28.59
Others	0.20	0.20
Cash and cash equivalents	73.13	102.47
Bank balances other than cash and cash equivalents	66.48	51.60
Balance held as margin money account	11.13	18.31
Security deposits	264.93	205.00
Interest accrued on deposits	8.79	5.87
Other receivables	50.00	50.00
Trade receivables	7,801.22	9,577.30
	8,722.74	10,453.29

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	131.67	216.68
Impairment loss recognised	62.00	72.53
Impairment loss reversed	(35.55)	(157.54)
Balance at the end	158.12	131.67

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	10,222.25	2,845.56	-	13,067.81
Trade payables	4,327.90	-	-	4,327.90
Lease liabilities	21.57	66.51	-	88.08
Other financial liabilities	1,296.58	697.13	-	1,993.71
Total	15,868.30	3,609.20	-	19,477.50

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	9,484.10	1,813.28	-	11,297.38
Trade payables	6,881.50	-	-	6,881.50
Lease liabilities	-	-	-	-
Other financial liabilities	1,580.82	633.71	-	2,214.53
Total	17,946.42	2,446.99	-	20,393.41

(C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Group operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Group and unhedged foreign currency exposures.

Included In	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	2.97	222.35	3.61	248.97
	EURO	-	-	0.00	0.28
	JPY	5.35	3.69	8.01	4.99
	GBP	0.27	24.82	0.22	20.38
EEFC balances	USD	0.16	11.76	0.06	4.15
	EURO	-	-	0.22	17.16
Financial liabilities					
Trade payables	USD	5.77	430.92	13.67	942.45
	JPY	1.60	1.10	2.70	1.68

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase 31 March 2020	Decrease 31 March 2020	Increase 31 March 2019	Decrease 31 March 2019
Sensitivity				
INR/USD	1.97	(1.97)	6.89	(6.89)
INR/EURO	-	-	0.17	(0.17)
INR/JPY	0.03	(0.03)	0.03	(0.03)
INR/GBP	0.25	(0.25)	0.20	(0.20)

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

	31 March 2020	31 March 2019
Forward Contracts		
In USD	-	5.00

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

	31 March 2020	31 March 2019
Not later than one month	-	1.50
Later than one month and not later than three months	-	2.50
Later than three months and not later than a year	-	1.00

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	8,686.49	8,813.70
Fixed rate borrowing	4,088.27	2,311.60
Total borrowings	12,774.76	11,125.30
Amount disclosed under other current financial liabilities	1,242.71	498.32
Amount disclosed under borrowings	11,532.05	10,626.98

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 43: Financial risk management (Contd.)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

	31 March 2020	31 March 2019
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	86.86	88.14
Interest rates – decrease by 100 basis points (100 bps)	(86.86)	(88.14)

Note 44: Related party disclosures

Nature of relationship	Name of related parties
I Associate companies	Sai India Limited Bourton Consulting (India) Private Limited Kolben Hydraulics Limited (upto 30 June 2019)
II Key Management Personnel (KMP)	C P Rangachar - Managing Director H M Narasinga Rao - Chief Financial Officer K. Gopalkrishna- Executive Director. A. Venkatakrishnan- Chief Operating Officer Vinayak Hegde - Company Secretary
III Relatives of KMP	Vidya Rangachar Madhuri Rangachar
IV Entity having significant influence (Significant shareholder)	Yuken Kogyo Co Limited
V Entities controlled by significant shareholder	Yuken Hydraulics (T.W) Co Limited Yuken Europe Limited Yuken Korea Co Limited Yuken Kogyo (Foshan) Co Limited Yuken Sea Co Limited
VI Parties in which key management personnel or their relatives have significant influence	Al Khoor Pumps and Hydraulic Machines TR. (LLC) Benefic Investment and Finance Company (Private) Limited
VII Other related parties	Yuken India Employees Gratuity Trust Yuken India Employees Superannuation Fund

VIII Details of related parties transactions for the year ended 31 March 2020 and 31 March 2019 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of property, plant and equipment			
Yuken Kogyo Co Limited	Entity having significant influence	1.05	39.54
Purchase of goods and services received			
Yuken Kogyo Co Limited	Entity having significant influence	1,039.19	2,082.33
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	405.15	936.48
Yuken Kogyo (Foshan) Co Limited	Entities controlled by significant shareholder	-	4.14
Sai India Limited	Associate	0.28	5.23
Kolben Hydraulics Limited	Associate(upto 30 June 2019)	43.21	104.16
Bourton Consulting (India) Private Limited	Associate	33.49	20.06
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	-	45.33
Royalty and brand fees paid			
Yuken Kogyo Co Limited	Entity having significant influence	78.48	116.99
Sale of goods and services			
Yuken Kogyo Co Limited	Entity having significant influence	10.26	16.44
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	8.45	16.93

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	Year ended 31 March 2020	Year ended 31 March 2019
Yuken Europe Limited	Entities controlled by significant shareholder	23.40	28.36
Yuken Korea Co Limited	Entities controlled by significant shareholder	36.84	31.80
Yuken Sea Co Limited	Entities controlled by significant shareholder	-	0.10
Sai India Limited	Associate	2.81	3.75
Kolben Hydraulics Limited	Associate(upto 30 June 2019)	1.04	17.18
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	55.70	26.14
Rent received			
Kolben Hydraulics Limited	Associate(upto 30 June 2019)	0.53	2.02
Dividend received			
Bourton Consulting (India) Private Limited	Associate	-	0.75
Dividend paid			
Yuken Kogyo Co Limited	Entity having significant influence	96.00	24.00
C P Rangachar	KMP	1.69	0.42
Vidya Rangachar	Relative of KMP	0.32	0.08
Madhuri Rangachar	Relative of KMP	0.16	0.04
Benefic Investment and Finance Company (Private) Limited	Parties in which KMP or their relatives have significant influence	27.84	6.96
Remuneration including commission			
C P Rangachar	KMP	69.20	101.84
H M Narasinga Rao	KMP	47.62	54.18
Vinayak Hegde	KMP	5.92	6.75
K. GopalKrishna	KMP	56.55	62.96
A. Venkatakrishnan	KMP	27.92	31.04
Payment towards expenses			
Vidya Rangachar	Relative of KMP	1.80	1.80
Reimbursement of expense(net)			
Yuken Kogyo Co Limited	Entity having significant influence	3.30	2.63
Contribution to post employment benefit plans			
Yuken India Employees Gratuity Trust	Post -employment benefit plan	1.01	75.00
Yuken India Employees Superannuation Fund	Post -employment benefit plan	107.92	98.84

IX Details of amounts outstandings from related parties as at 31 March 2020 and 31 March 2019 are as follows:

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2020	As at 31 March 2019
Amount outstanding (Receivables)			
Yuken Kogyo Co Limited	Entity having significant influence	3.84	5.26
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	6.22	2.56
Yuken Europe Limited	Entities controlled by significant shareholder	24.82	20.38
Sai India Limited	Associate	5.19	2.79
Al Khooor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	201.48	144.20
Amount outstanding (Payables)			
Yuken Kogyo Co Limited	Entity having significant influence	336.05	741.33
Yuken Hydraulics (T.W) Co Limited	Entities controlled by significant shareholder	103.72	249.71
Yuken Kogyo (Foshan) Co Limited	Entities controlled by significant shareholder	-	4.00
Sai India Limited	Associate	3.68	3.40

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 44: Related party disclosures (Contd.)

Nature of transactions/ Name of related party	Description of the relationship	As at 31 March 2020	As at 31 March 2019
Al Khoor Pumps & Hydraulic Machines TR. (LLC)	Parties in which KMP or their relatives have significant influence	0.11	0.10
Bourton Consulting (India) Private Limited	Associate	2.10	1.42
Key Management personnel remuneration payable			
C P Rangachar	KMP	4.00	35.53
H M Narasinga Rao	KMP	2.28	2.47
Vinayak Hegde	KMP	0.43	0.48
K. GopalKrishna	KMP	2.43	2.62
A. Venkatakrishnan	KMP	1.60	1.80

Note 45: Ind AS 115 – Revenue from Contracts with Customers

i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	Timing of revenue recognition	31 March 2020	31 March 2019
Sale of products			
Finished goods	At point in time	24,087.39	33,812.17
Sale of Services			
Training and other services rendered	Over a period of time	113.21	101.38
Duty drawback	At point in time	15.36	27.75
Profit on sale of development rights	At point in time	-	13,047.82

ii) Contract balances

	31 March 2020	31 March 2019
Trade receivables	7,801.22	9,577.30
Contract liabilities – Advance from customers	3,814.82	1,345.62

Contract liabilities include advances received from customers. The outstanding balances of these accounts has increased primarily on account of satisfaction of performance obligation subsequent to year-end against which the advances were received during the year.

Contract liabilities - Advance from customers include the advances received from customers on the booking of residential units

iii) Performance obligation

Information about the Group's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon shipment of the goods and transfer of control. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated

Sale of services

The performance obligation is satisfied over-time or point in time based on the nature of services and payment is generally due upon completion of services.

Sale of developmental rights

The performance obligation is satisfied at a point in time when the obligation of transferring the development rights are fulfilled.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 46: Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

	As at 31 March 2020
Within one year	15.48
After one year but not more than five years	57.72
	73.20

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Effective 1 April 2019, the Group has adopted Ind AS 116, Leases; and has recognised interest on lease liability of ₹6.14 lakhs under finance cost.

The aggregate amortisation of ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (refer note 31).

The Group has applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application in accordance with Ind AS 116. Rental expense recorded for short-term leases was ₹224.71 lakhs for the year ended 31 March 2020.

Note 47: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (net of eliminations)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)		Share of OCI		Share of total profit/(loss) for the year	
	%	Amount	%	Amount	%	Amount	%	Amount
Yuken India Limited	86%	15,007.61	1205%	3,641.84	98%	(23.65)	1301%	3,618.19
Subsidiaries								
Yuflow Engineering Private Limited	1%	91.45	-17%	(51.53)	0%	-	-19%	(51.53)
Coretec Engineering India Private Limited	3%	523.54	-727%	(2,198.58)	2%	(0.43)	-791%	(2,199.01)
Grotek Enterprises Private Limited	9%	1,620.90	-305%	(920.72)	1%	(0.12)	-331%	(920.84)
Kolben Hydraulics Limited(w.e.f 01 July 2019)	1%	136.22	-60%	(182.55)	-	-	-66%	(182.55)
Associates (Investment as per the equity method)								
Sai India Limited	-	-	5%	14.86	-	-	5%	14.86
Bourton Consulting (India) Private Limited	-	-	0%	(1.18)	-	-	0%	(1.18)
Kolben Hydraulics Limited (upto 30 June 2019)	-	-	0%	0.19	-	-	0%	0.19
Total	100%	17,379.72	100%	302.33	100%	(24.20)	100%	278.13

Note 48: Details of equity accounted in associates are as follows:

	Original Cost of Investment	Goodwill/ (Capital Reserve)	Accumulated Profit/ (Loss) as at 31 March 2020	Carrying amount of Investment at 31 March 2020
Sai India Limited	20.00	(20.60)	409.25	429.25
Bourton Consulting (India) Private Limited	3.73	-	3.31	7.04
	23.73	(20.60)	412.56	436.29

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

All amounts are in ₹ lakhs, unless otherwise stated

Note 49: Corporate social responsibility ('CSR')

The Group has incurred CSR expenses mainly towards promoting education, healthcare, protection of art and culture setting up old age homes and setting up homes for orphans which are specified in Schedule VII of the Companies Act, 2013.

	Year ended 31 March 2020	Year ended 31 March 2019
Gross amount required to be spent during the year #	19.07	6.56
Amount spent during the year	7.33	6.61
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.33	6.61
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

Amounts computed is based upon profits as per relevant GAAP applicable for the respective years.

The Group is in the process of identifying various social welfare activities which supports the right cause as aimed by the management of the Group. The management endeavours to speed up the process and increase CSR spend to assist the government in its initiative to support the society at large.

Note 50: Previous period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the current years' presentation.

As per our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Place: Bengaluru

Date: 27 June 2020

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

C P Rangachar

Managing Director

DIN: 00310893

Capt. N S Mohanram

Director

DIN: 02466671

R Srinivasan

Director

DIN: 00043658

H M Narasinga Rao

Chief Financial Officer

Vinayak Hegde

Company Secretary

ACS No : 48364

Place: Bengaluru

Date: 27 June 2020



YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

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

E-mail Id: vinayak.hegde@yukenindia.com, Website: www.yukenindia.com. Tel: +91 97316 10341

E COMMUNICATION REGISTRATION FORM

To,
KFIN TECHNOLOGIES PRIVATE LIMITED
UNIT: YUKEN INDIA LIMITED
Kavy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District.
Nanakramguda, Hyderabad - 500 032

GREEN INITIATIVE IN CORPORATE GOVERNANCE

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Board's Report, Auditor's Report etc. In electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs. Please register my E-Mail id as given below, in your records, for sending the communications and you can also register your details in below mentioned link:

https://forms.office.com/Pages/ResponsePage.aspx?id=50YGarl49U-14qW1r929neOqM593jO9MhQvF7NJUc_xUOVhES0xIUFDIMEhXQTVVTFZRVICT09VTC4u

Folio No./ DP Id & Client Id No.	
Name of 1 st Registered Holder	
Name of Joint Holder(s), If Any	
Registered Address of the Sole/ 1 st Registered Holder	
No. of Shares Held	
E-Mail Id (to be registered)	

Date:.....

Signature:

NOTE:

1. On registration, all communications will be sent to the E-Mail Id registered.
2. The form is also available on the website of the Company www.Yukenindia.com under the section Investor - Investor Services.
3. Shareholders are requested to keep the Company's registrar-KFIN Technologies Private Limited informed as and when there is any change in the E-Mail address.

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