

BOARD OF DIRECTORS

Mr OSAMU TANAKA - Chairman
Mr Y MUKAIDE
Mr R SRINIVASAN
Mr V BALAJI BHAT
CAPT. N S MOHANRAM
Dr. PREMCHANDER
Mr C P RANGACHAR - Managing Director
Mr S YAMANOI - Whole Time Director
(Upto 31st March,2013)

**CFO & COMPLIANCE OFFICER
BANKERS**

Mr H M NARASINGA RAO
1. STATE BANK OF INDIA
2. BANK OF TOKYO MITSUBISHI UFJ LTD.
3. MIZUHO CORPORATE BANK LTD.

AUDITORS

M/S DELOITTE HASKINS & SELLS
Chartered Accountants

REGISTERED OFFICE AND WORKS

P.B. No. 16
Whitefield Road
Whitefield, Bangalore-560 066.

Plot No.57, IDA IV Phase
Patancheru, Medak(D)
Hyderabad - 502 319.

FOUNDRY DIVISION

No. 16-C, Doddanekundi Industrial Area,
IInd phase, Mahadevapura,
Bangalore - 560 048.

SY.No. 52, Khatha No. 84/171, 85/172,
Hedegabanahalli Village,
Madivala Post, Malur Taluk,
Kolar Dist. - 569 130.

SALES OFFICES

26, Community Centre
Mayapuri, New Delhi - 110 064.

Indra Prastha, # 46A, Madan Mohan
Malaviya Sarani, Ground Floor,
Kolkata - 700 020.

H-4, Ansa Indl. Premises
Co-op Society Limited
Saki Vihar Road, Sakinaka
Mumbai - 400 072.

B-80, 2nd Cross, 1st Phase
Peenya Industrial Area,
Bangalore - 560 058.

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NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the members of Yuken India Limited will be held at Registered Office , P B No 16, Whitefield Road, Whitefield, Bangalore 560 066 on 18th September, 2013 at 10.30 am to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr.Y Mukaide, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Capt.N S Mohanram, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

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

REGISTERED OFFICE:

PB 16, Whitefield Road
Whitefield
Bangalore 560 066

By order of the Board

C P Rangachar
Managing Director.

Place: Bangalore

Date: 18th May, 2013

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and such proxy need not be a member of the company.
2. The Instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2013 to 17th September, 2013 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.
5. Members are requested to intimate to the Company any changes, if any, in their registered addresses at an early date.
6. As there is no special business an explanatory statement pursuant to section 173(2) of the Companies Act, 1956 are not required to be annexed herewith.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend through ECS. In case of any change in the bank particulars, kindly contact the respective depository accounts for effecting the changes.
9. Under section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 205-C of the Companies Act, 1956, no claim shall lie against the company or the said Fund, in respect of individual amount/s which remained unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am and 1.00 pm up to the date of the meeting.

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

Particulars	Mr.Y Mukaide	Capt.N S Mohanram
Date of Birth	31st January,1941	10th April,1936
Date of appointment/ re-appointment	From the date of AGM	From the date of AGM
Qualifications	Engineering Graduate	B.Tech (Hons) in Naval Architecture from IIT, Kharagpur. Post Graduate in Warship Design (UK).MBA (Faculty of Management Studies), New Delhi.
Expertise	Has rich business and managerial experience in technical, production and marketing having worked in various capacities	In Indian Navy, he has designed a number of war ships and other crafts. Developed India's indigenous major warship INS Godhavari.He was Head of Divisions in Mukhund Group. He is recipient of major awards such as VKRV Rao Gold Medal and Das Gupta Gold Medal for standing first in MBA.Vishist seva Medal for designing INS Godavari from Rashtrapathi. Fellow of Indian National Academy of Engineering(INAE)
Directorships held in other public Companies	NIL	NIL
Membership/ Chairmanship of committees of other public Companies	NIL	NIL
No of shares held in the Company	NIL	NIL

DIRECTORS' REPORT

Dear Members,

Your Board of Directors are pleased to present the 37th annual report and the audited accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS

The Financial performance of the Company, for the year ended 31st March 2013 is summarized below.

(Rs in Lakhs)

Particulars	2012-13	2011-12
Total income	15,523	17,198
Total expenditure	14,305	14,958
Profit before interest, depreciation and tax	1,218	2,240
Finance cost	474	413
Depreciation	413	288
Profit before tax	331	1,539
Provision for taxation(Net of deferred tax)	130	502
Profit after tax	201	1,037
Balance in Statement of profit and loss	4,297	3,451
Amount available for appropriation	4,498	4,488
Appropriations:		
General reserve	11	104
Proposed dividend	45	75
Tax on proposed dividend	7	12
Balance carried to Balance Sheet	4,435	4,297
Total	4,498	4,488

REVIEW OF PERFORMANCE

During the year under review, the Company achieved a turnover of Rs.15, 296.28 lakhs compared to Rs.17,049.67 lakhs in 2012. The operations of the Company for the year under review have resulted in a net profit of Rs.201.21 lakhs.

DIVIDEND

Your Directors are pleased to recommend a dividend of 15% on the equity shares of the company for the year ended 31st March 2013, subject to the approval of the members at the ensuing annual general meeting.

INDUSTRIAL RELATIONS

Employee relations continue to be cordial. Your Directors would like to place on record their appreciation of the valuable contribution to the operations of the Company during the year.

CORPORATE GOVERNANCE

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

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

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

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

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Sl No	Name	Designation	Gross Remuneration (Rs)	Qualification	Age	Date of commencement of employment	Experience (including previous years if any)	Last employment held/ designation/ organization
- Nil -								

1. Employment throughout the year under review and were in receipt of remuneration for that year in the aggregate of not less than Rs 60,00,000 or more - Nil
 2. Annual remuneration as above includes salary, allowances and perquisites.
 3. The above appointment is contractual.
- II. Employees of the Company who were employed for part of the financial year and in receipt of remuneration at a rate, which in aggregate was not less than Rs 500,000/- pm - NIL

DIRECTORS

Under section 256(1) of the Companies Act, 1956 and article 116 of the Articles of the Company, Mr.Y Mukaide, Director and Capt. N S Mohanram, Director are liable to retire by rotation at this Annual General Meeting. They are eligible and offer themselves for re-appointment. A brief profile of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and membership, their share holding in the company are provided in the notice of Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. In the preparation of the accounts for the year ended 31st March 2013 the applicable accounting standards have been followed and there are no material departures from the same;
2. The accounting policies which have been selected are applied consistently, judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March 2013 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The accounts for the year ended 31st March 2013 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

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

FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARY COMPANIES

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

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

During the year, the company has entered in to a joint memorandum of compromise before the Company Law Board dated 4th January 2013 with the minority shareholders of Prism Hydraulics Private Limited, a subsidiary, to transfer its entire investment holding of 60% to the minority shareholders at a consideration of Rs.225 lakhs on or before 31st December 2013 subject to compliance of certain terms and conditions. Accordingly, a sum of Rs.90 lakhs has been received from the minority shareholders of Prism Hydraulics Private Limited. Due to the said transaction, in the opinion of the company, the control over Prism Hydraulics Private Limited deemed to be temporary in nature; hence, the same has not been included in the consolidated financial statements.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Employees are trained in 'First -Aid' regularly. The Company has rain water harvesting system in place in all the factory plants.

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

Health, Safety & Environment (HSE)

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

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

Awareness workshops on safety in industries are being conducted for the employees in collaboration with the Directorate of Factories and Boilers, Government of Karnataka.

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

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

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

Energy conservation is a consistent focus area for the Company both from a cost control and a social responsibility perspective. Energy conservation is a consistent endeavor of your Company. The power factor is regularly monitored and maintained between 0.99 and 1.00.

Solar lights have been installed in Malur Plant.

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

1. Conservation of Energy:

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

2. Foreign Exchange Earnings and outgo (Rs. In Lakhs)

Foreign Exchange Earnings:-

Export sales	998.32
Other Income	28.22

Expenditure in Foreign Currency

Brand fees	62.54
Royalty	2.85
Interest	2.81
Others	55.88

Remittance in foreign currency on account of:

Dividends	30.00
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3. Research and Development (R&D)

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

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

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

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

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

(c) Future plan of action:

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

(d) Expenditure on R & D

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

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

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

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

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

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

- i Technology imported – For manufacture of Chip compacting machine
- ii Year of Import : 2011
- iii Has technology been fully absorbed? Yes
- iv If not fully absorbed, areas where this has not taken place, reasons there off and future plans of action : N/A

COST AUDITORS

The Company has appointed M/S. K.S.Kamalakara & Co. Cost Accountants as cost auditors for conducting Cost Audit for the financial year 2012-13.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended 31st March 2012 was 28th February, 2013 and Form A-XBRL was filed on 30th January 2013 and Form I –XBRL was filed on 31st January 2013 by the Cost Auditors. The due date for filing the Cost Audit Reports for the financial year ended 31st March 2013 is 30th September 2013.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office, in accordance with the provisions of the Act till the conclusion of the ensuing annual general meeting and are eligible for re-appointment.

FORWARD-LOOKING STATEMENTS

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

ACKNOWLEDGEMENTS

Your Directors thank the customers, auditors, vendors, banks, government, collaborators, investors and all other business associates for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by all the employees of the Company for their performance in the year under review.

For and on behalf of the Board

R. Srinivasan
Director

V. Balaji Bhat
Director

C P Rangachar
Managing Director

Place : Bangalore

Date: 18th May, 2013