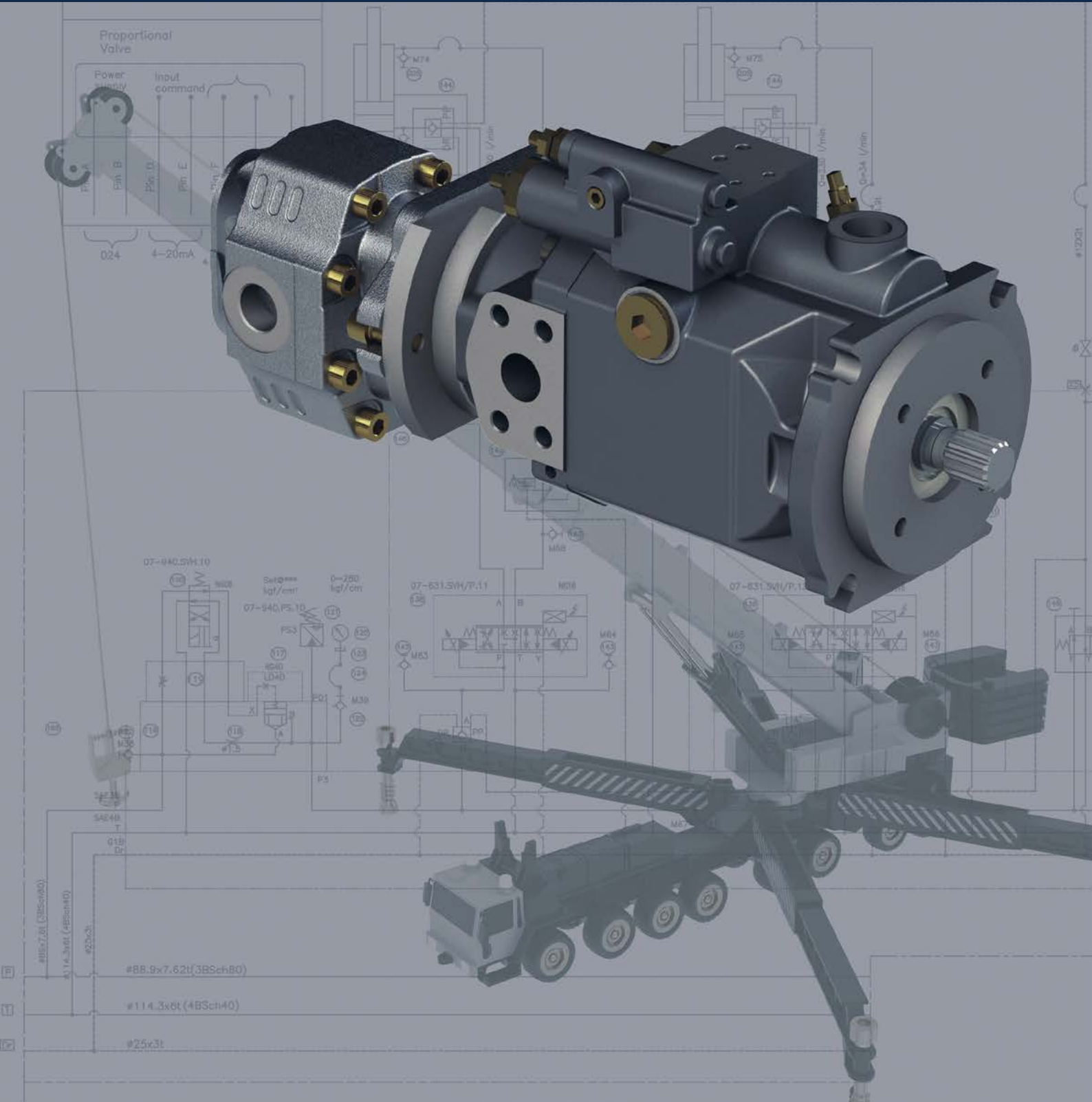


Transforming

Yuken India Limited | Annual Report 2022-23



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. Yoshitake Tanaka, *Whole time Director*

Mr. R Srinivasan

Dr. Premchander

Mrs. Indra Prem Menon

Mrs. Vidya Rangachar

Mr. C P Rangachar, *Managing Director*

Chief Financial Officer

Mr. H M Narasinga Rao

Company Secretary

Mr. Vignesh P

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 Limited

(Formerly known as KFin Technologies Private Limited),

Unit: Yuken India Limited

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

Phone: (040) 6716 1509

Toll free number: 1- 800-309-4001

E-mail Id: Einward.ris@karvy.com

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



Transforming

The Indian economy is poised at an inflection point.

The country's appears poised for sustainable trajectory through the decade by which time India is expected to emerge as the world's third largest economy.

At Yuken India, we are preparing for this reality through capacity creation across the entire range of products in our global portfolio funded by continued equity infusion by our financial and technical collaborator.

The new locally developed products range will augment the existing range to make inroads to new sectors and industries.

The projected growth is expected to transform the company's positioning, competitiveness and financial outcomes, strengthening business sustainability.

Yuken India Limited

The company's growth is a faithful representation of the robustness and advance of the Indian economy.

The company services a range of sectors linked to the country's infrastructure, automobile and consumption-driven segments.

The company addresses customer expectations with world-class hydraulic equipment, components, castings and services.

Our track record

The company was established in 1976 through a technical and financial collaboration with Yuken Kogyo Company Limited, Japan (YKC), a leading global provider of oil hydraulic equipment.

The Company benefits from a rich 90-plus-year global experience of its collaborator. The Company's business is guided by the capable leadership and experience of Mr. C P Rangachar, who serves as the Managing Director. The company is supported by a dedicated team of experienced professionals and skilled workers at the manufacturing facilities.

Our capacities and capabilities

Headquartered in Bengaluru, the company operates nine state-of-the-art manufacturing facilities in Bengaluru, Malur (Karnataka), Mumbai and Haryana.

Location	Plants	Products
Bangalore, Karnataka	Four	Pumps & Valves Components, Precision Ground Spools, Powerpacks, Solenoid Coils, Iron Cores and Electric Motors
Malur, Karnataka (near Bengaluru)	Three	Pumps, Valves and Power packs, Hydraulics Manifold Assemblies, Chips, Compacting Machines, Castings and Cylinders.
Mumbai, Maharashtra	One	Hydraulic Power Units
Bahadurgarh, Haryana	One	Hydraulic Power Units

Dependable vendor-partner

The Company specializes in the manufacture of hydraulic components like pumps, valves, cylinders, filters, electric motors and other accessories; these are considered core to engineering systems. The company comprises advanced manufacturing technologies, cutting-edge equipment and quality control systems. The complement of these capabilities addresses customer needs in industrial and mobile applications across sectors.

Our credit rating

The company maintained its CARE BBB with a Stable outlook rating for long-term bank facilities in FY 2022-23. This validates the strength of its business model, financial stability, promoter credibility, product quality and enduring stakeholder relationships.

Our distribution network

The Company's extensive distribution network is spread across India, comprising more than 56 channel partners. The Company exported products to 12 countries in FY 2022-23. This included exports to Yuken Group Companies as well.

Credible accreditations

The Company's commitment to world-class standards is manifested in the ISO 9001:2015 certification, indicating process discipline and consistency.

Our employees

The Yuken team comprised 500 permanent employees, with an average age of 36 as on 31st March, 2023. The talent comprised engineering, product design, manufacturing, quality control, finance, sales, service and regulatory compliance capabilities, among others.

Our longstanding clients

The Company addresses the demanding needs of prominent clients like Ace Micromatic group, Ajax Engineering, BFW, Bajaj, BEML, Honda, JCB, JSW Steel, LMW Group, Maruti Suzuki, Mahindra, NTPC, Tata Steel, Tata Hitachi, Terex, Toyota and SAIL, among many others.

Listing

The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) where they are traded actively. The Company's market capitalization was ₹602 crore as on 31st March, 2023.

Our subsidiaries and associates

Our subsidiaries

Grotek Enterprises Private Limited (manufactures precision ferrous castings)

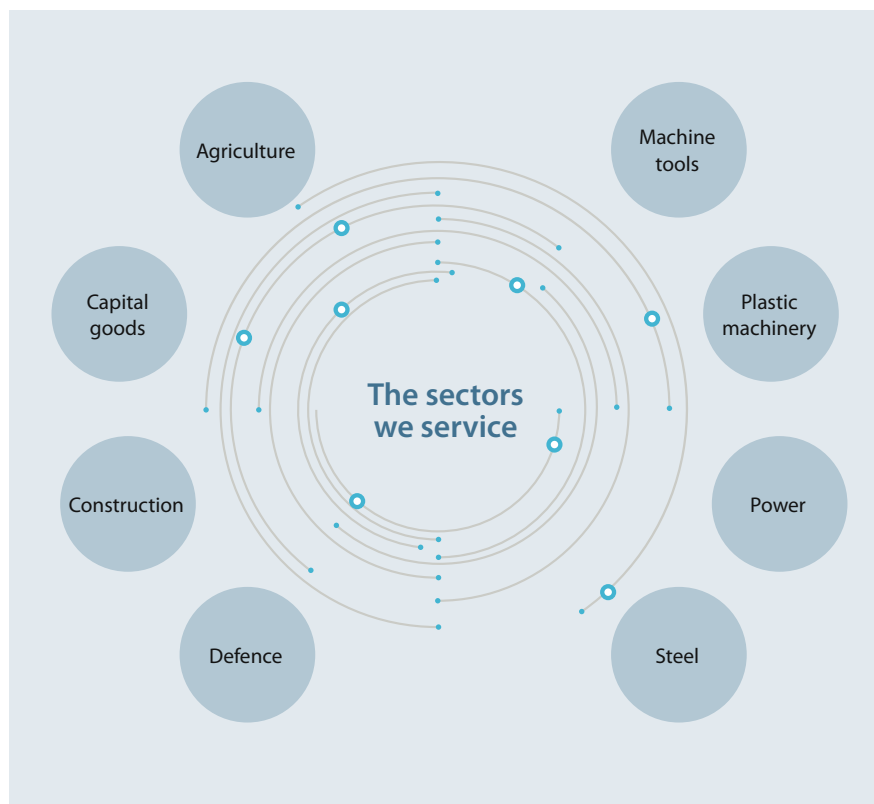
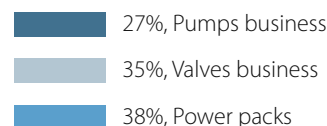
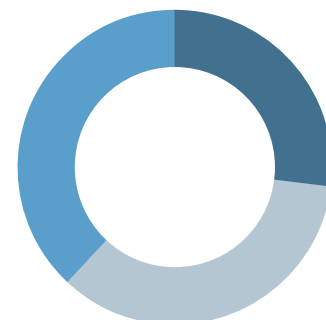
Coretec Engineering India Private Limited (manufactures solenoids and precision ground components)

Kolben Hydraulics Limited (manufactures hydraulic products for mobile applications in collaboration with global leaders in this segment).

Our 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 revenues by product segments, FY 2022-23



Our manufacturing capacities (units per annum)

90,000
Numbers, pumps

7,80,000
Numbers, valves

20,000
Numbers, power packs

13,000
Tonnes, foundry

Our global presence



Manufacturing plants



Sales & services offices

23

Countries with our
Group's sales & service
offices

29

Countries of our
Group's presence

6

Countries with our
Group's manufacturing
plants

Manufacturing plants

Japan, India, Taiwan,
Korea, China and
United Kingdom

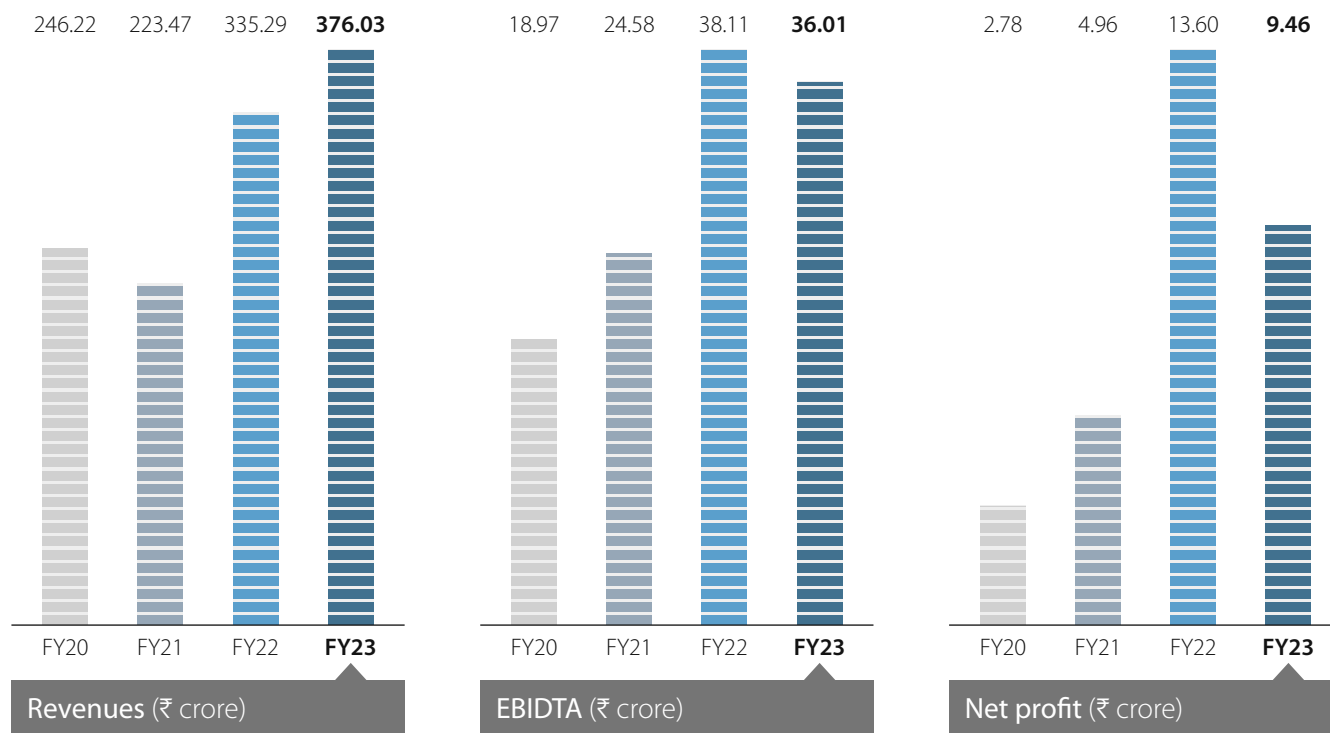
Sales & services offices

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





How we performed as a group in the last few years



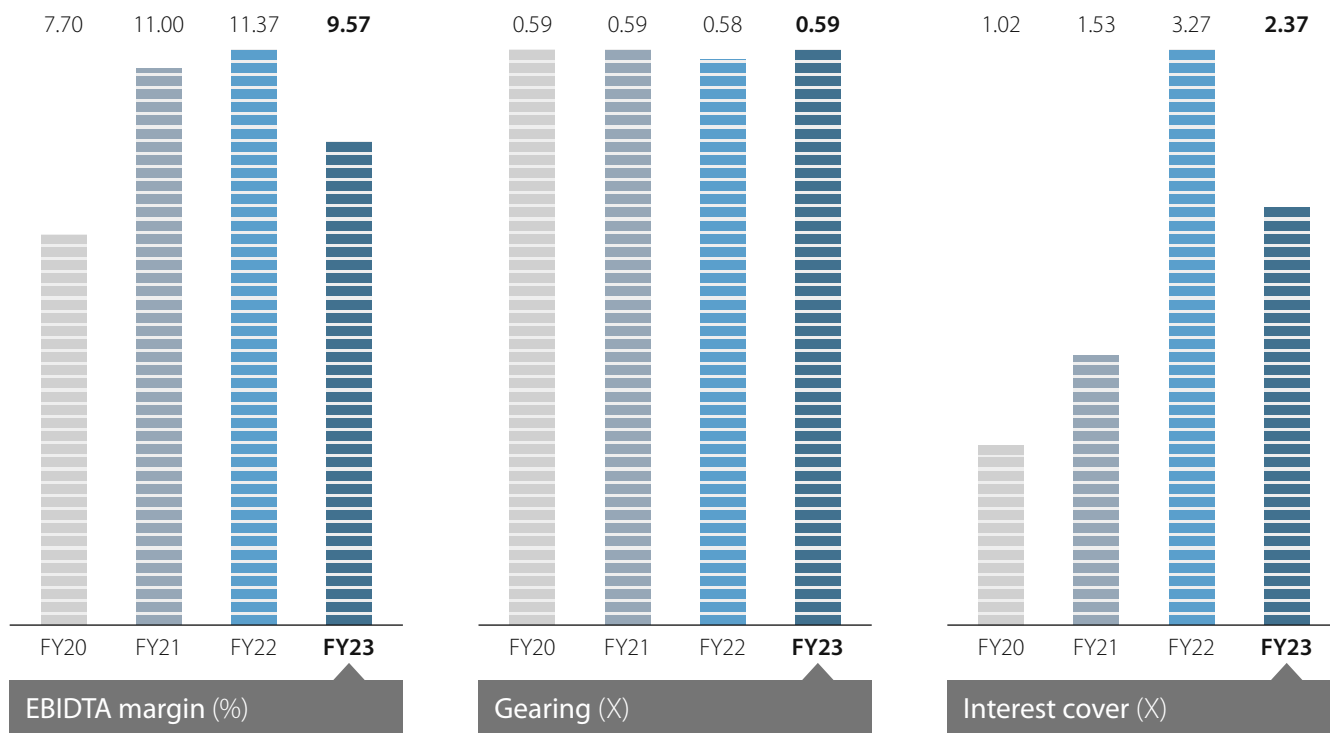
How Yuken performed across each quarter in FY 2022-23

The financial health of our business, FY 2022-23

Revenues

₹ in crore

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Standalone	83.46	74.33	75.37	87.80
Consolidated	94.06	91.81	88.18	101.98



EBIDTA

₹ in crore

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Standalone	7.51	7.34	5.56	5.07
Consolidated	9.59	9.98	8.25	8.19

Profit after tax

₹ in crore

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Standalone	3.07	2.38	2.98	(1.12)
Consolidated	3.29	2.76	2.91	0.69

Profit after exceptional items & before tax

₹ in crore

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Standalone	4.34	3.68	3.68	0.79
Consolidated	4.81	4.60	4.48	2.12

Profit before exceptional items & tax

₹ in crore

Year, 2022-23	Quarter one	Quarter two	Quarter three	Quarter four
Standalone	4.34	3.68	1.42	0.66
Consolidated	4.81	4.60	2.23	1.99

Our Chairman's perspective

Overview

I am pleased to communicate that your company is at an inflection point.

Yuken Kogyo Co. Limited, the technical and financial collaborator of your company, has increased its stake in the company by 4.62% with a capital infusion of ₹62.90 crore in June 2023. By the virtue of this growth capital, we are optimistic that the outlay will translate into enhanced value in a sustainable way across the long-term.

Besides, this capital inflow is being accompanied by the transfer of technology that will empower your company to manufacture the complete range of products of Yuken Kogyo in India. This decision represents an affirmation of your company's capabilities and the attractiveness of India as a long-term growth and strategic market.

The decision to provide growth capital cum technology is in response to a structural shift transpiring the world over. Following the pandemic, two realities have emerged: one, the world is seeking native supply chain partners away from China;

two, most countries seek supply chain partners from within their own country or proximate to their requirements.

Both these realities have placed India at the centre of the next round of global growth. The world is seeking a supply chain alternative (in part) in India, a country with an established metallurgical and engineering tradition. Besides, an increasing number of companies in India are likely to turn to local component providers for quicker delivery, lower freight and access to timely downturn interventions.

I am also optimistic that at the core of our existence lies our ESG ethic, marked by stable strategy, transparency and a commitment to enhance stakeholder value.

These positive attributes and realities are empowering your Company to invest in capabilities and capacities ahead of the curve that I believe could lead to long-term growth and profitability for your Company.

Hidemi Yasuki
Chairman