

|                                                                                   |                                                                                                                                                                                                                                    |          |                                                                                                     |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------|
|  | <p align="center"><b>YUKEN INDIA LIMITED</b><br/> An ISO 9001:2015 Company<br/> <b>Manufacturers of Oil Hydraulic Equipment</b><br/> IN COLLABORATION WITH YUKEN KOGYO CO. LTD., JAPAN.<br/> <b>CIN: L29150KA1976PLC003017</b></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                                                                                                                                                                                                                     | E-mail:  | Suhas.hm@yukenindia.com                                                                             |
| Date:                                                                             | August 17, 2026                                                                                                                                                                                                                    | Web:     | www.yukenindia.com                                                                                  |

Corporate Relationship Department  
BSE Limited  
PJ Towers, Dalal Street  
Mumbai-400 001  
Scrip Code: **522108**

The Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G, Bandra Kurla  
Complex, Bandra (E), Mumbai - 400 051  
Symbol: **YUKEN**

Dear Sir/Madam,

**SUBJECT: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2025-26.**

We wish to inform you that, the 50th Annual General Meeting (AGM) of the Company will be held on Thursday, September 10, 2026, at 10:30 A.M (IST) through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM").

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2025-26.

Further, pursuant to Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has initiated the process of dispatching letters to those Members whose e-mail addresses are not registered with the Company / Registrar and Share Transfer Agent ("RTA") / Depositories, informing them about the web-link from where the Annual Report for the financial year 2025-26 can be accessed.

The same is also being made available on the website of the company at <https://www.yukenindia.com/corporate-announcements/>

This is for your information and records.

Thanking You  
For **Yuken India Limited**

**SUHAS H M**

Digitally signed by SUHAS H M  
Date: 2026.08.17 15:37:42  
+05'30'

Suhas H M  
**Company Secretary & Compliance Officer**  
**Encl: A/a**



### Forward-looking statement

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

## Contents

### Corporate overview

- 1 Five decades of friendly and intelligent service
- 2 Corporate snapshot
- 5 The companies we serve
- 7 Our presence across the globe
- 8 How we have grown across the years
- 10 Chairman's perspective
- 13 Managing Director's business review
- 16 50 years of defining milestones
- 18 Yuken: Powering life, every day
- 19 The Yuken edge: Service that keeps you ahead
- 20 Yuken's Atmanirbhar Bharat story
- 21 Yuken: Strategic consistency and engineering excellence
- 22 The sectors we address

### Statutory Reports

- 23 Board's Report
- 42 Management Discussion and Analysis
- 48 Corporate Governance Report

### Financial Statements

- 74 Standalone financial statements
- 156 Consolidated financial statement

# Corporate Information

## Board of Directors

Mr. Tadanori Okada, *Non-Executive Non-Independent Director-Chairman*  
Mr. Yoshitake Tanaka, *Non-Executive Non-Independent Director*  
Mr. T Parabrahman, *Non-Executive Independent Director*  
Mr. K Chandrashekhar Sharma, *Non-Executive Independent Director*  
Mrs. Indra Prem Menon, *Non-Executive Independent Director*  
Mr. C P Rangachar, *Managing Director*

## Key managerial personnel

Mr. H M Narasinga Rao, *VP-Finance & Chief Financial Officer*  
Mr. Venkatakrishnan A, *Chief Executive Officer (Till 29<sup>th</sup> April, 2026)*  
Mr. Rakesh Kumar A, *Chief Executive Officer (W.e.f 29<sup>th</sup> April, 2026)*  
Mr. Suhas H M, *Company Secretary & Compliance Officer*

## Bankers

State Bank of India  
HDFC Bank Ltd  
MUFG Bank Ltd  
Mizuho Bank Ltd  
Sumitomo Mitsui Banking Corporation

## Auditors

### Statutory Auditors

M/s Walker Chandio & Co LLP

### Secretarial Auditors

M/s V. Sreedharan & Associates

## Registered office

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

## Corporate Office & Main Plant

PB No. 5, Koppalthimmanahalli Village, Malur-Hosur Main Road, Malur  
Taluk, Kolar District – 563 130.

## Registrar and Share Transfer Agent

KFin Technologies Limited,  
Unit: Yuken India Limited, Selenium Tower B, Plot 31-32, Financial  
District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032

### Contact details:

Email ID: einward.ris@KFintech.com;

Contact number: 1800-309-4001 Email ID: einward.ris@KFintech.com





# Five decades of friendly and intelligent service

For five decades, Yuken India has combined engineering intelligence with dependable partnership.

The Company does more than supply hydraulic products. It studies customer applications, interprets operating challenges, develops customised solutions and supports with a high uptime performance across the product lifecycle.

This combination of technical depth and responsiveness has made Yuken a trusted partner across industries.

*Innovative. Powerful. Reliable.*

These three words capture the essence of the Yuken proposition.

*Innovative* reflects the Company's engineering capabilities, localisation initiatives and ability to develop solutions around evolving customer requirements.

*Powerful* represents the strength, precision and performance embedded in its hydraulic products and systems.

*Reliable* reflects the consistency of its quality, service and relationships, qualities that have sustained customer confidence across five decades.

As Yuken India enters its next chapter of its existence, it will continue to combine intelligent engineering with friendly, dependable service. In doing so, it will deliver solutions that perform and partnerships that endure.



## Yuken India Limited.

Among the leading manufacturers of high-precision, technology-heavy hydraulic systems and components in India, supported by friendly and intelligent technical support service.

The Company draws its engineering lineage from Yuken Kogyo Company Limited, Japan, a globally respected hydraulic equipment manufacturer of more than 95 years.

Yuken Kogyo holds a 47% equity stake in Yuken India, providing the Indian Company access to advanced Japanese technology, product development expertise, quality systems and global manufacturing practices.

The Company delivered its engineering excellence by engaging with customers in India's essential sectors like industrial, infrastructure and manufacturing -related industries.

The Company's casting and machining competence empowers it to provide end-to-end, customised and application-critical hydraulic solutions.

The Company's manufacturing and R&D practices are benchmarked around global standards, making it a quality provider of products and services.

The result is that Yuken enjoys a distinctive recall among customers: 'If it is Yuken, we can be assured that it will be the best.'

### Heritage

Founded in 1976 through a technical and financial partnership with Yuken Kogyo Company Limited (YKC), Japan, one of the world's foremost hydraulic equipment innovators – the Company benefits from the global expertise of its 95-year-old collaborator.

The organisation's growth is steered by the seasoned leadership of Managing Director Mr. C. P. Rangachar, and powered by a committed team of skilled professionals across manufacturing locations.

### Trusted engineering partner

The Company manufactures a comprehensive range of hydraulic pumps, valves, cylinders, accessories and integrated package systems critical to industrial and mobility equipment. Utilising advanced manufacturing systems, modern machinery and rigorous quality assurance practices, the Company consistently delivers reliable, application-ready solutions to diverse engineering sectors.

### Credit rating

In FY 2025–26, the Company retained its BBB+ (Stable) long-term rating.



## Market reach

Yuken's distribution footprint spans India through a network of more than 45 channel partners. In FY 2025-26, the Company exported to 15 international markets, including deliveries to Yuken Group companies across the globe.

## Commitment to quality

The Company's ISO 9001:2015 certification and GreenCo Gold rating reflect its disciplined processes, consistent quality and unwavering commitment to operational excellence.

## Skilled and diverse workforce

As on 31<sup>st</sup> March, 2026, the Company employed 460 permanent employees, bringing together deep capabilities across engineering, design, manufacturing, quality, finance, sales, service and compliance.

## Prestigious clientele

Yuken serves several leading Indian and global brands, including ACE Micromatic, Ajax, BEML, BFW Group, BHEL, Honda, JCB, JSW Steel, Jyoti CNC, LMW Group, Mahindra, Maruti Suzuki, NHPC, NTPC, SAIL, Tata Hitachi, Tata Steel, Terex and Toyota, among others.

## Listing

The Company's shares are actively traded on both BSE and NSE, with a market capitalisation of Rs. 806.64 crore as of 31<sup>st</sup> March, 2026.

## Future opportunities

Headquartered in Bengaluru, the Company operates nine advanced manufacturing facilities across Bengaluru, Malur, Mumbai and Haryana, positioning it strongly to meet future demand and deliver customised hydraulic solutions at scale.

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

## Our subsidiaries and associates

### Our subsidiaries

#### Grotek Enterprises Private Limited

(manufactures precision ferrous castings and tooling for the foundry),

#### Coretec Engineering India Private

Limited (manufactures solenoids, precision ground spools and accessories).

#### Kolben Hydraulics Limited

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

#### AEPL Grotek Renewable Energy Private

Limited (engaged in the generation of wind power).

### Our associates

The Company's associates comprise SAI India Limited (manufactures hydraulic motors in collaboration with SAI s.p.a.-Italy)

## Our revenues by product segments, FY 2025-26



- 35.88%, Valves business
- 36.81%, Power packs
- 27.31%, Pumps business



**OUR MANUFACTURING CAPACITIES (UNITS PER ANNUM)**

**1,50,000**

Numbers, pumps

**8,00,000**

Numbers, valves

**25,000**

Numbers, power packs

**13,000**

Tonnes, foundry





# The prominent companies we serve

## Power



ALSTOM



## Steel



## Machine tools



## Plastics



## Mobile



## Others





## Our presence across the globe

22

Countries with  
our Yuken Group's  
sales and service  
offices

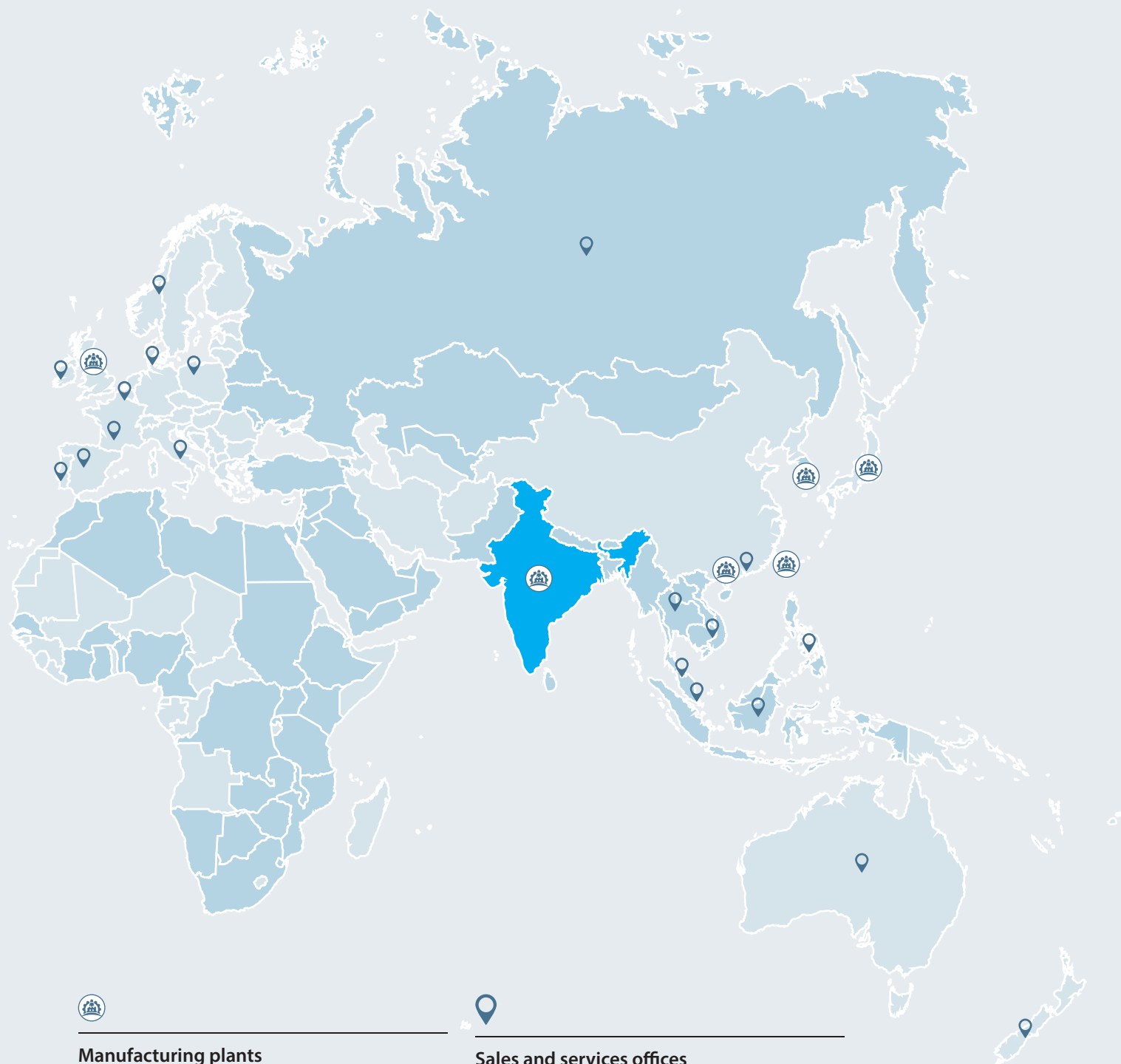
22

Countries of our  
Yuken Group's  
presence

6

Countries with  
our Yuken Group's  
manufacturing  
plants





### Manufacturing plants

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



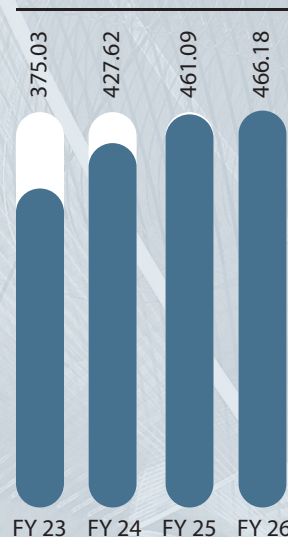
### Sales and services offices

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 have grown across the years

## Revenues

(in Rs. crore)



### Value impact

The Company reported a 1.1% growth in sales revenue to Rs. 466.18 crore.

## EBITDA

(in Rs. crore)

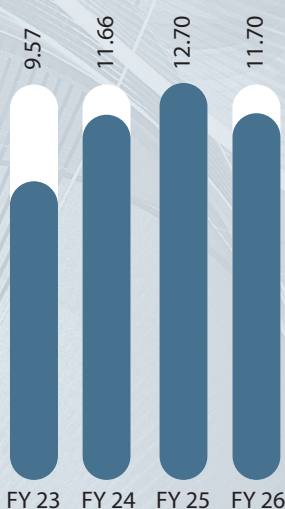


### Value impact

The Company reported an EBITDA decline of 6.95% in FY 2025-26, primarily due to increased costs.

## EBITDA margin

(in Rs. crore)

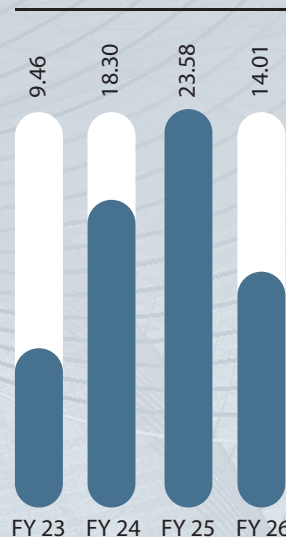


### Value impact

The Company reported a 100 bps decrease in its EBITDA margin in FY 2025-26, on account of increased costs.

## Net profit

(in Rs. crore)

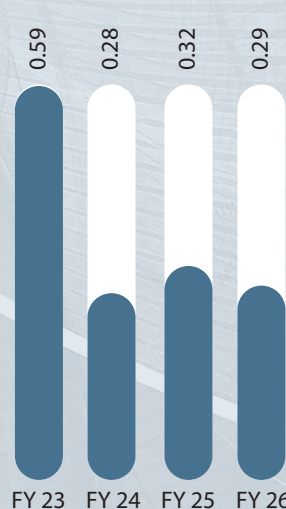


### Value impact

The Company reported decline in net profit from Rs. 23.58 crore in FY 2024-25 to Rs. 14.01 crore in FY 2025-26.

## Gearing

(times)



### Value impact

The Company reported a moderated gearing ratio, a sign of growing Balance Sheet strength.





# Our performance across each quarter of FY 2025-26

## Revenues (in Rs. crore)

| Q1         |              | Q2         |              | Q3         |              | Q4         |              |
|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| 87.95      | 105.37       | 97.69      | 113.49       | 100.38     | 113.40       | 116.50     | 133.92       |

## EBITDA (in Rs. crore)

| Q1         |              | Q2         |              | Q3         |              | Q4         |              |
|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| 8.95       | 13.31        | 10.47      | 14.40        | 7.94       | 10.35        | 11.42      | 16.47        |

## Profit before tax (in Rs. crore)

| Q1         |              | Q2         |              | Q3         |              | Q4         |              |
|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| 4.13       | 5.74         | 5.50       | 6.60         | 2.61       | 1.75         | 5.95       | 8.03         |

## Profit after tax (in Rs. crore)

| Q1         |              | Q2         |              | Q3         |              | Q4         |              |
|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| 3.09       | 4.03         | 4.14       | 5.11         | 1.48       | (0.77)       | 4.19       | 5.64         |



CHAIRMAN'S PERSPECTIVE

# Fifty years of consistency. The next chapter of possibilities.

## Five decades, one direction

As Yuken India enters its fiftieth year, the occasion invites a perspective that extends well beyond the performance of any single financial year. It calls for a reflection on the role the Company has played in India's own industrial transformation.

Over five decades, India progressed from a relatively controlled, import-dependent economy into one of the world's most promising manufacturing and industrial markets. Yuken India was present at every stage of that journey, bringing advanced Japanese hydraulic technology to Indian shores, building domestic manufacturing capacity, and developing solutions that supported the country's industrial, manufacturing, infrastructure, construction equipment and agricultural sectors.

The next phase builds on this foundation and on the philosophy of Make in India for the World, as Yuken India progressively emerges as a manufacturing and technology centre serving not only domestic customers but selected international markets as well.

## A company born of collaboration, tested by change

Yuken India was established in June 1976 through a technical and financial collaboration with Yuken Kogyo Company Limited of Japan. Its journey since has run alongside India's own transition from a protected economy into one that is open, competitive and globally integrated.

Across this transition, the Company proactively built capacities, introduced new technologies, localised hydraulic products and developed engineering capabilities.

As India expanded its infrastructure, automotive, construction equipment, machine tools and general manufacturing capabilities, Yuken India kept pace, supplying increasingly localised hydraulic

products and application-specific solutions. In doing so it helped Indian equipment manufacturers strengthen their own product quality, reliability and technological competitiveness. What began as a transfer of Japanese technology has since progressively developed into an integrated Indian engineering and manufacturing platform.

The Company's greatest achievement, in this sense, was never simply that it completed fifty years in India, but that it remained relevant through five decades of technological, economic and industrial change – through economic slowdowns, evolving emission standards, technology transitions, fluctuating capital expenditure cycles and global supply chain disruptions.

The Company's progress was built not on any single transformational event, but on repeated investment: each phase adding a new layer of capability, whether in product localisation, manufacturing depth, engineering knowledge, application expertise, customer relationships or market reach.

This long-term approach has helped create an institution that combines Japanese technological discipline with

Rs. **133.10**  
crore, the Company's highest-ever revenue in the fourth quarter





Indian engineering, manufacturing and application knowledge — a combination that cannot be replicated quickly.

## FY 2025-26 in perspective

The year under review was one of contrasting movements – stable revenues, profitability pressures, strategic investments and a strong conclusion. The Company maintained its topline and protected its customer relationships despite an uneven demand environment coupled with rising input, employee, depreciation and financing costs.

The year still closed with the Company's highest-ever revenue of Rs. 133.10 crore in the fourth quarter. It validated the strategy of introducing a wider range of Yuken products in India and expanding domestic manufacturing capabilities; it demonstrated that a broader product portfolio and improved execution can support materially higher revenues once customer demand strengthens.

## Navigating a world of renewed uncertainty

The global operating environment remained far from settled through the year, as geopolitical conflicts continued to affect energy markets, trade routes, inflation expectations and investment decisions, while higher tariffs and shifting trade relationships reshaped global manufacturing and supply chains. Industrial customers, understandably, grew more cautious about committing to large capital expenditure amid uncertainty over energy costs, raw material prices, logistics and demand visibility. These conditions, if anything, increased the strategic importance of manufacturing partners that are reliable, diversified and geographically closer to their customers — precisely the position Yuken India occupies, supported by its disciplined manufacturing base, its alignment with Japanese technology, and its deepening relationship with Yuken Kogyo.

## India's long-term industrial opportunity

India remains, one of the world's most attractive industrial growth markets, its infrastructure investments, manufacturing ambitions and capital expenditure programmes continuing to create long-term opportunities for hydraulic products and solutions.

The Company remains directionally optimistic about India's economic and industrial prospects, while recognising that the country's broader economic growth does not translate uniformly or immediately into demand across every industry. Mobility hydraulics, automotive, machine tools, construction equipment and industrial machinery move through their own investment and replacement cycles, and individual quarters or financial years may therefore reflect a mismatch between India's broader economic promise and the actual performance of specific industries or customer segments. Such mismatches may affect the timing of demand, but they do not alter the Company's long-term conviction in India.

## From capital support to strategic integration

The partnership between Yuken India and Yuken Kogyo entered a deeper strategic phase during the year under review. The Japanese parent's increased investment and stake strengthened the Company's equity base and reflected its confidence in India's long-term economic, manufacturing and industrial prospects, coming precisely as Yuken India completed five decades and stood at the threshold of its next chapter.

The importance of this commitment extends well beyond the capital received; it includes access to advanced technology, new products, capacity creation, engineering knowledge and select international markets. Yuken India is progressing from manufacturing principally for the domestic market towards manufacturing in India for the domestic and international requirements, its role evolving from that of an Indian subsidiary into an increasingly

important participant in Yuken's global manufacturing and supply chain network.

## Technology, innovation and future-readiness

Technology has remained central to Yuken India's journey since its establishment, and the Company has progressively combined the advanced Japanese hydraulic technology it brought to India with Indian engineering, manufacturing and application expertise.

Yuken India operates today as a knowledge-driven organisation with capabilities spanning product engineering, application development, testing, research and technological innovation, and its ongoing investments in research and development are focused on next-generation hydraulic solutions aligned with emerging customer requirements — in automation, digitalisation, energy efficiency, reliability, precision control and environmentally responsible manufacturing.

The Company continues to introduce a wider range of Yuken products in India while strengthening its ability to localise products and adapt them to Indian operating conditions. Its future technology agenda will focus on bringing more advanced products to India, deepening local engineering capabilities and strengthening its role within Yuken's global technology network.

## ESG and sustainability

A commitment to environmental, social and governance principles remains integral to Yuken India's business philosophy. The Company maintains high standards of transparency, ethical business conduct, corporate governance and stakeholder engagement, treating quality, safety, responsible manufacturing and resource efficiency as continuing operational disciplines rather than periodic initiatives.

Its technologies help customers improve equipment productivity, reduce energy consumption, enhance reliability and extend product lifecycle performance – outcomes that allow customers to use

resources more efficiently and support the broader transition towards more sustainable industrial operations. The Company continues to invest in employee development, technical training, workplace safety and responsible relationships with customers, suppliers and communities, and will progressively strengthen its environmental and social practices while ensuring that governance remains central to long-term value creation.

## Consistency as a competitive advantage

Yuken India's competitive position rests on remaining aligned with the product, technology, quality and customer-requirement standards of leading global hydraulic companies, combining Japanese technology and process discipline with Indian engineering, manufacturing and application knowledge. The Company does not pursue short-term volumes at the cost of product quality, reliability or customer confidence; it continues to invest through industrial cycles so that the required capabilities are available when demand strengthens. This approach may appear gradual within any single year, but its benefits compound meaningfully over longer periods — and fifty years of technology, customer relationships, manufacturing experience and institutional knowledge have created a foundation that cannot be replicated quickly.

## Governance and enduring values

Ethical conduct, transparency and responsible governance remain central to the way the Company operates. Quality remains a continuing discipline extending from product development and material selection through to manufacturing, testing and customer support, while customer relationships are built through dependable performance, technical assistance, application support and long-term accountability. Technology development continues to focus on improving productivity, energy efficiency, reliability, safety and lifecycle performance, and the Company continues to develop its employees and technical talent as a long-term institutional priority. These principles have guided Yuken India across five decades, and they will continue to shape its approach in the years ahead.

## Outlook

The Company will approach the coming year with optimism moderated by caution. India's infrastructure, manufacturing and industrial development will continue to provide a favourable long-term demand environment, and the Company's optimism will remain anchored in India's long-term direction rather than its performance in any single quarter or financial year.

Temporary mismatches between economic expectations and industrial demand may well continue, but the Company will remain prepared to capitalise when customer investments strengthen. Yuken India will deepen

localisation, expand select manufacturing capacities and introduce a wider range of products and technologies, bringing additional Japanese technologies and products to India. The Company will strengthen its local engineering and application capabilities, progressively strengthening its role in Yuken's global manufacturing and supply chain network.

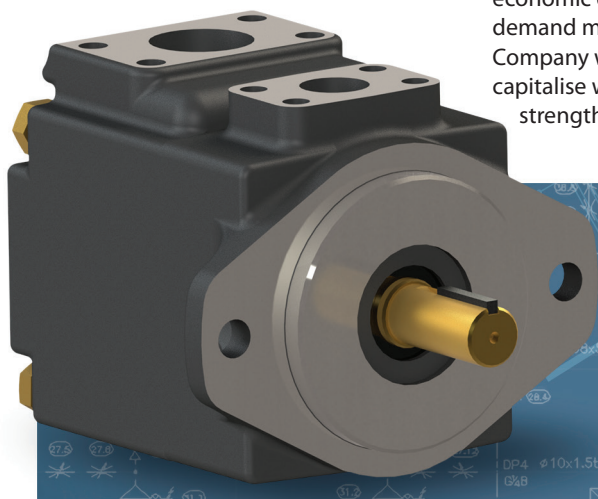
## Closing remarks

Fifty years represent the combined contribution of employees, customers, suppliers, dealers, bankers, shareholders and Yuken Kogyo. The Company acknowledges the role of employees who carried institutional knowledge, technical capabilities and organisational values from one generation to the next, and the customers whose confidence enabled Yuken India to expand its technologies, products and manufacturing capabilities.

It acknowledges, too, Yuken Kogyo — for its sustained technology, capital and strategic support, and for reinforcing its commitment to India at the very beginning of the Company's next chapter. Yuken India stands at the threshold of an exciting future, one in which strategic investments, technological advancement, global integration and a commitment to sustainability will deepen value creation for all stakeholders.

The Company completed its first fifty years by remaining consistent, relevant and committed to India. It will build the next fifty by allowing this consistency to compound, and by making in India for the world.

**Tadanori Okada**  
Chairman





## MANAGING DIRECTOR'S BUSINESS REVIEW

# Protecting the foundation. Preparing for the next phase.

## Building on a foundation of decades

Yuken India entered FY 2025-26 with the strength of a business that had progressively expanded its revenues, capabilities and market presence over several decades, its long-term development supported by a wider product portfolio, deeper localisation, growing manufacturing capacity, enduring customer relationships and continued access to Yuken's global technology platform.

Over the years, the Company strengthened its ability to serve a broader range of industrial and mobile hydraulic applications, building revenues across customer segments while protecting the quality, reliability and technological standards associated with the Yuken brand.

The Company's focus has always been customer service, building long-term relationships through continuous New Product Development, improving Quality and Productivity. This begets long

term growth and profitability for both customers and your Company.

It is this approach that has allowed the Company to remain resilient across different economic and industrial cycles – for while individual years have reflected fluctuations in demand and profitability, the underlying business has continued to gain technological depth, manufacturing capability and market credibility.

The Indian economy remained one of the fastest-growing major economies during the year, supported by public infrastructure expenditure, manufacturing investment, domestic consumption and continued policy support for industrial development. Yet the benefits of this broader growth were not transmitted evenly across all sectors: customer industries such as construction equipment, automotive, machine tools, mobile hydraulics and general engineering moved through different demand, investment and inventory cycles of their own.

The global environment added further complexity, as geopolitical conflicts, volatile energy prices, changing tariffs, supply chain disruptions and uncertain interest rate conditions weighed on customer confidence and capital expenditure decisions — creating a divergence between India's strong long-term economic potential and the

near-term demand experienced by some industrial businesses.

Against this backdrop, FY 2025-26 was, in the fullest sense, a mixed year for Yuken India. The Company protected its market position, maintained its customer relationships and continued strategic investments, even as it absorbed significant cost pressures. Revenues remained broadly stable, but profitability declined on account of uneven customer demand, rising operating costs and a limited ability to pass on cost increases immediately – and the year's performance is therefore best measured not only by the movement in reported profit, but by the Company's success in protecting the foundation on which future growth will be built.

## Performance in numbers

Revenue from operations increased by 1.1% to Rs. 462.17 crore, up from Rs. 457.36 crore in the previous year, while total income rose to Rs. 466.18 crore from Rs. 461.09 crore.

EBITDA, however, declined to approximately Rs. 54.53 crore from Rs. 58.60 crore, with the EBITDA margin moderating by approximately 101 basis points to 11.8% from 12.8% on revenue from operations. Profit attributable to the owners of the parent declined to Rs. 14.47 crore from Rs. 24.62 crore, a fall considerably sharper than the movement

Rs.

# 462.17

crore, Revenue from operations up from Rs. 457.36 crore in the previous year



in revenue and one that reflects the impact of increased costs and adverse operating leverage; earnings per share correspondingly declined to Rs. 10.81 from Rs. 18.94.

The most encouraging development of the year came in its final quarter, when revenue reached a record Rs. 133.10 crore – a strong close that demonstrated the revenue potential created by the Company's expanding product portfolio and manufacturing capabilities, and one that validated the strategy of introducing a wider range of Yuken products in India alongside increased domestic manufacturing capacity.

### Challenges faced

The year's pressures were not the product of any single cause but of several converging at once. Suppliers, particularly smaller vendors, sought price increases as their own material, labour, energy and operating costs rose; the Company was unable to pass these increases on to large customers with the same speed – the resulting time gap between supplier cost escalation and customer price revision, placing a direct pressure on margins.

Employee costs rose as the organisation strengthened its technical, manufacturing and managerial capabilities for future growth; depreciation increased following investments in manufacturing assets, technology and capacity; finance costs remained elevated as the Company funded working capital requirements and expansion initiatives.

### Understanding the market cycle

Demand for hydraulic products is closely linked to investment in machinery, infrastructure, automobiles, construction equipment and manufacturing capacity, and these industries do not move in unison — each is influenced by its own product, investment and replacement cycle.

The Company's task is to remain prepared across these cycles rather than to attempt to predict every quarterly movement, India continues to offer stronger structural growth prospects than many mature global markets. Yuken India's diversified customer and product base allows it to participate in multiple industrial demand drivers simultaneously, reducing its dependence on any single application, customer segment or investment cycle.

### Competitive position

Yuken India remains aligned with leading global hydraulic companies in products, technology, quality and customer requirements, and the competitive challenge it faces today is not one of basic technological catch-up. It is, increasingly, a challenge of execution – of product availability, delivery reliability, cost competitiveness, localisation, application support and customer engagement.

The Company's combination of global technology and domestic manufacturing provides a genuinely differentiated value proposition: access to Yuken's global technology platform strengthens its ability to introduce internationally proven products in India, while Indian manufacturing and application capabilities allow these products to be localised and adapted to customer-specific operating conditions. The Company continues to invest in keeping its Indian operations aligned with Yuken's global product development curve.

### Product and manufacturing priorities

During the year, the Company continued to widen the range of Yuken products manufactured in India, focusing on developing the country as a manufacturing base for domestic as well as selected international requirements. The record revenue achieved in the fourth quarter reinforced the strategic rationale for this approach: a larger locally

manufactured portfolio has improved the Company's ability to address more customer applications, respond faster and participate in a broader share of customer requirements. The Company invested in capacity ahead of expected medium-term demand — investments that increased the immediate operating cost base, but that also created the foundation for higher revenues, improved product availability and a wider market presence.

Going forward, the Company will increase the utilisation of installed capacity as customer demand improves, will continue to localise components and products presently imported or manufactured at other Yuken locations, will strengthen its presence in mobile hydraulics — one of the largest segments of the hydraulic market — and will introduce products aligned with evolving requirements in machinery, automation, precision control and energy efficiency.

### From an Indian manufacturer to a global supply chain partner

The Company's role is no longer limited to manufacturing and selling hydraulic products within India. Yuken India is being developed as a manufacturing source for select requirements across Yuken's international markets, and Yuken Kogyo's increased commitment as the Company completes its first fifty years affirms the parent's confidence in Yuken India and in India's long-term manufacturing opportunity. A transition will expand the Company's addressable market even as it requires the Company to maintain consistently global standards of quality, cost, traceability and delivery. The Company will progressively increase its export commitments as products, processes and capacities receive the necessary global approvals. The objective is to position Yuken India as a dependable manufacturing and supply chain partner for select global markets.



## Operating priorities

The Company's operating priorities for the year ahead are clear and interconnected. It will work to recover margins through a better balance between pricing, procurement and productivity. It will increase capacity utilisation and improve operating leverage. It will accelerate localisation to reduce import dependence and currency exposure, deepen engagement with customers at the product development and application stages, and expand the mobile hydraulics portfolio. It will build exports in a measured and commercially sustainable manner, continue investing in product quality, technology and delivery dependability, and seek revenue growth that contributes meaningfully to profitability.

## Outlook

Revenue growth in the year ahead will be supported by India's industrial and infrastructure investments, new product introductions and the Company's broader geographic mandate, while margins recovery will depend on pricing discipline, productivity improvement, cost control and a higher capacity utilisation.

The benefits of recent investments will emerge over multiple years rather than within a single quarter, and the Company will remain cautious until geopolitical conditions, energy prices and customer investment visibility become clearer — continuing to monitor demand across customer segments and aligning production, inventory and working

capital accordingly. Through all of this, the Company's long-term confidence will remain anchored in India's growth, in Yuken's technology platform, and in its own accumulated manufacturing and application capabilities.

## Closing message

The fiftieth year marks a milestone and the beginning of a larger responsibility. Yuken India will build on five decades of trust, technology and manufacturing expertise to strengthen its competitiveness, expand globally and create sustainable value.

**C.P. Rangachar**  
Managing Director

Rs. **466.18**

crore, total income in FY 2025-26 up from Rs. 461.09 crore in FY 2024-25





# 50 years of defining milestones

How Yuken India helped catalyse Indian industry

## 1970s

### 1970 - Recognising the opportunity

The Government of India recognised the importance of hydraulics for industrial growth and invited applications for setting up industries in the sector.

### 1971 - The initiative takes shape

On 7<sup>th</sup> April, 1971, the Government of India issued a Letter of Intent for setting up the proposed hydraulic manufacturing venture.

### 1972 - Building the foundation

Mr. Shoji Yuki and Mr. Y Takahashi visited India and met Indian industrialists who had approached Yuken Kogyo for collaboration.

### 1974 - Agreement to collaborate

On 15<sup>th</sup> October, 1974, Mr. S Yuki, President of Yuken Kogyo, Mr. M Varadarajan and Mr. C P Rangachar met in Japan and signed an Agreement to Collaborate.

### 1976 - Building technical expertise

In January, 1976, Mr. T R Prasanna and Mr. K Gopalkrishna travelled to Japan for six months of training under the AOTS Scheme.

### 1976 - The beginning

Yuken India Limited was incorporated through a collaboration with Yuken Kogyo Co., Japan, bringing global hydraulic technology and expertise to India.

### 1978 - Manufacturing commenced

The Company began commercial production of hydraulic pumps, valves and control products for the Indian market.

### 1979 - First major OEM success

Yuken India supplied its first hydraulic power unit to HMT, marking an early milestone in its OEM journey.

## 1980s

### 1986 - Strengthening vertical integration

Yuken India acquired a foundry business to improve casting quality, strengthen manufacturing control and reduce external dependence.

## 1990s

### 1991 - Entering the public markets

The Company completed an 41 times oversubscribed public issue and was subsequently listed, strengthening its platform for long-term growth.

### 1991 to 2005 - Broadening the product portfolio

Yuken India expanded into radial piston motors, iron cores, hydraulic cylinders and gear pumps, strengthening its position as a comprehensive hydraulic solutions provider.

### 1990s onwards - Expanding into new industries

The Company expanded into steel, machine tools, construction equipment, plastics, power and industrial machinery, supported by a nationwide sales network.





## 2000s

### 2000 - Embedding continuous improvement

Yuken India introduced Total Productive Maintenance, Gemba Kaizen and Lean Manufacturing practices. These initiatives embedded Japanese manufacturing discipline into everyday operations and strengthened quality, productivity, safety and operational consistency.

### 2000s onwards - Moving towards customised solutions

The Company progressed beyond supplying individual hydraulic products to understanding customer applications and developing customised systems. Its application engineering capabilities enabled it to address specific operating conditions, performance expectations and industrial requirements.

### 2009-10 - Crossing the Rs 100 crore milestone

Yuken India crossed Rs 100 crore in turnover for the first time, marking an important milestone in its growth journey. The achievement reflected the Company's expanding product portfolio, growing presence across industries, deeper customer relationships and strengthened manufacturing capabilities.

## 2010s

### Strengthening manufacturing excellence

Yuken India continued to enhance its manufacturing capabilities near Bengaluru through improved processes, quality systems and engineering practices. Its operations remained focused on precision, safety, reliability and consistent product performance.

### Deepening customer partnerships

The Company became a preferred hydraulic partner for leading OEMs across multiple industries. Its ability to combine product knowledge, application engineering and responsive service strengthened long-standing customer relationships.

### Developing people and capabilities

Yuken India nurtured generations of engineers, technicians and leaders. Continuous learning, practical experience and cross-functional collaboration helped preserve institutional knowledge while preparing employees for changing technologies and customer requirements.

## 2020s

### Advancing technology and localisation

The Company continues to introduce advanced hydraulic products, strengthen localisation and expand its ability to develop customised systems. Its combination of Japanese engineering knowledge and Indian manufacturing experience enables it to address increasingly sophisticated customer applications.

### Strengthening manufacturing capacity

Yuken India continues to invest in manufacturing infrastructure, process improvement and engineering capabilities. These initiatives support higher localisation, improved responsiveness and the development of future-ready hydraulic solutions.

### 2026 Celebrating the Golden Jubilee

Yuken India celebrated 50 years of engineering excellence, dependable service and enduring stakeholder relationships. The milestone reflected a journey shaped by technology, localisation, manufacturing discipline and customer trust.

### Launching the YE-3 facility

The launch of the new YE-3 manufacturing facility marked the beginning of the Company's next phase. The facility will support capacity expansion, advanced manufacturing and the development of future-ready hydraulic products and systems.

### THE ROAD AHEAD

Yuken India will strengthen its domestic and international presence, deepen its solution capabilities and progress towards its aspiration of becoming a Rs 1,000 crore company. It will continue to combine innovation, powerful performance and reliability as it prepares for the next five decades.

### CAPABILITIES STRENGTHENED ACROSS FIVE DECADES

**Technology collaboration:** Access to globally proven hydraulic technology and Japanese engineering knowledge.

**Integrated capabilities:** Expansion across castings, motors, cylinders, gear pumps and hydraulic systems.

**Customer proximity:** A nationwide sales and service network supported by technical expertise.

**Indigenous manufacturing:** Progressive localisation of products, components and manufacturing processes.

**Application engineering:** Development of customised solutions around customer applications and operating requirements.

**People development:** Generations of engineers, technicians and leaders developed through learning and practical experience.



## Education

Automation enabling smarter classrooms and learning environments



## Everyday products

Precision moulding creating essential plastic products



## Transport and lifestyle

Reliable systems powering vehicles, convertible cars and yachts



## Power and renewable energy

Hydraulic systems supporting conventional and clean energy generation



## Fashion and creativity

Presses and lifting solutions enabling textiles, art and monumental installations



## Food and agriculture

Hydraulic systems supporting farming, harvesting and food production



## Homes and living

Solutions supporting construction, home lifts, adjustable beds and mobility



## Industry and infrastructure

Heavy-duty machinery shaping factories, workplaces and modern cities



## Aerospace and emergency response

Precision control supporting aircraft, space applications and disaster-relief equipment

# Yuken: Powering life, every day

From classrooms and farms to infrastructure, renewable energy and space missions, Yuken's hydraulic technologies power the systems that shape everyday life and progress.



**Tailored engineering:** Our application engineering team delivers customised hydraulic guidance to solve the customer's most complex industry challenges, ensuring precision, reliability, and performance.



**Rapid response:** Count on the Company's fast turnaround for service calls, repairs, and spare parts support. Because every minute matters, we make speed our priority.



**Nationwide support:** With strategically located service centres and on-site engineers across India, help is always within reach wherever operations take the customer.



**Ready spares:** Readily stocked parts mean minimum downtime and uninterrupted production. The customer's efficiency is our commitment.



**Proactive maintenance:** Our preventive and predictive service programmes extend equipment life, reduce unexpected failures, and optimise performance.



**Digital diagnostics:** Stay ahead with real-time monitoring and troubleshooting powered by intelligent service tools, giving the customer confidence and control.



**Practical training:** From operator workshops to skill-building sessions, we empower the customer's team for safe, efficient machine usage and long-term success.



**Lasting partnership:** We believe in reliability, transparency, and collaborative growth because true service is about building trust that lasts.



**Productivity first:** Every effort we make is aimed at one goal: maximising the customer's uptime and efficiency so that the customer's business never misses a beat.

## The Yuken edge: Service that keeps you ahead

From application engineering and rapid response to preventive maintenance and digital support, Yuken delivers dependable service that keeps customers productive and operations running efficiently.



# Yuken's Atmanirbhar Bharat story



*Our Malur manufacturing facility, Kolar*

**95.25%**

of revenues were  
from products  
manufactured in  
India, FY 2025-26

## **Agriculture**

Smart hydraulic systems that boost productivity and precision helping India's farmers achieve better yields and sustainable growth.

## **Construction and infrastructure**

Robust hydraulic solutions powering cranes, mixers, and earthmovers driving the creation of roads, bridges, metros, and the nation's future infrastructure.

## **Energy**

High-efficiency hydraulic technologies that support thermal, hydro, and

renewable energy systems – accelerating India's transition to a cleaner, reliable power future.

## **Manufacturing and industry**

Globally benchmarked hydraulic solutions that enhance automation, boost productivity, and fuel the growth of India's manufacturing ecosystem.

## **Transportation and mobility**

Precision-engineered hydraulics ensuring safety, reliability, and performance across commercial vehicles, railways, and specialised mobility applications.



## STRATEGY

# Yuken: Strategic consistency and engineering excellence

## Overview

Yuken is a leading innovator in hydraulic technology, delivering solutions tailored to the specific requirements of Indian industries. With manufacturing facilities located in Karnataka, Maharashtra, and Haryana, the Company is committed to developing advanced hydraulic systems that address local operational challenges while meeting global standards.

### ENGINEERING INNOVATIONS

Through precision-led re-engineering, Yuken has transformed the machine tools sector by introducing compact, high-speed, and energy-efficient hydraulic systems. Its hydraulic power units (HPUs) are designed to deliver superior performance, reliability, and long-term value for industrial applications.

### LOCALISATION AND CUSTOMISATION

Yuken's ability to provide timely, localised solutions is a key differentiator. For instance, when a major public sector undertaking required vehicle recovery systems for challenging terrains such as sand and marshland, Yuken delivered a customised solution through focused engineering adaptations and rapid localisation efforts.

### DESIGN-FIRST APPROACH

The Company prioritises intelligent design over material reduction to ensure cost-effective and high-performance hydraulic solutions. A dedicated team of engineering specialists drives innovation across product development, system design, research and development, and customised applications aligned with global benchmarks.

## Research matrix

- Product enhancements and upgrades
- Development of new applications
- Integration of cutting-edge technologies

## Product portfolio

- Hydraulic power units
- Valves and solenoids
- Hydraulic cylinders
- Hydraulic pumps
- Gear pumps
- Precision machining components
- Castings for hydraulic equipment

## Customer segments

- Machine tool manufacturers
- Plastic moulding companies
- Power generation plants
- Defence and military machinery
- Infrastructure and construction equipment manufacturers
- Steel and metal processing industries
- Agricultural machinery

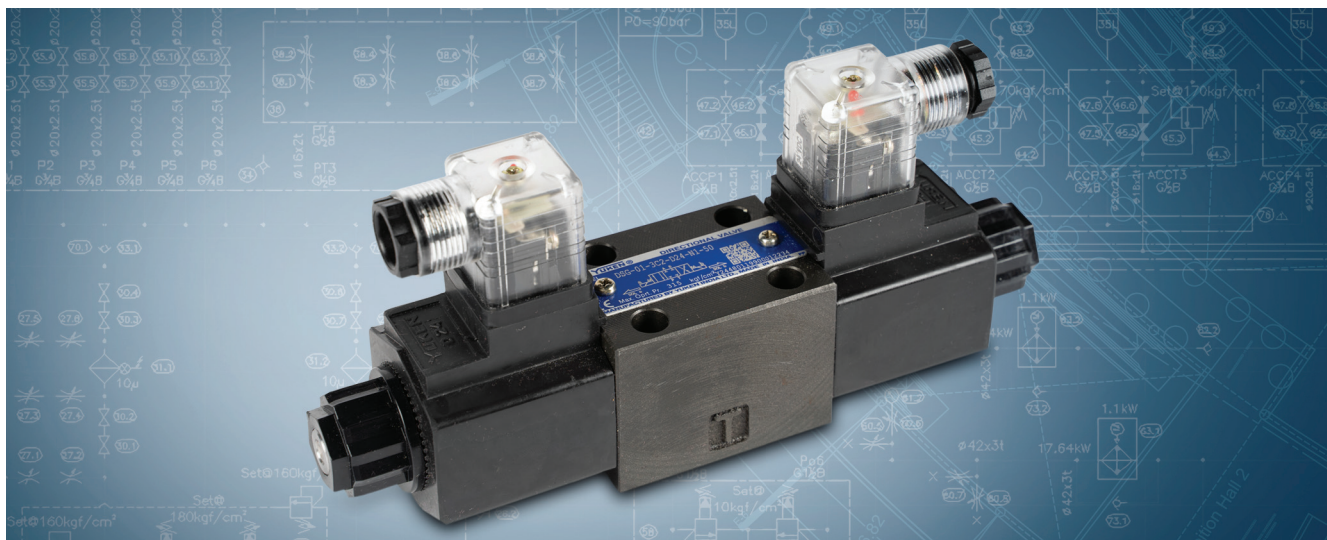
## Solution capabilities

- Design and engineering
- Material optimisation
- Process development
- Assembly and integration
- Testing and quality assurance
- After-sales services





# The sectors we address



## Machine tools

Integral to tool clamping, precision fixturing, and the operation of metal cutting and forming machine.



## Plastic processing

Powering injection-molding systems that produce components such as car dashboards, bumpers, washing-machine bodies, and other molded parts.



## Power generation

Deployed across wind, hydroelectric, and solar installations for reliable hydraulic control.



## Construction equipment

Essential in road-building machinery, concrete equipment for residential and commercial projects, and excavators used for digging and material movement.



## Defense

Supporting indigenisation initiatives through applications across programs aligned with Atmanirbhar Bharat and Make in India.

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





# Board's Report for the FY 2025-26

To  
The Members of  
**Yuken India Limited**

The Board of Directors of Yuken India Limited is pleased to present its 50<sup>th</sup> Board's Report to the members of the Company for the Financial Year ended March 31, 2026. This report has been prepared in accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations"). For the purposes of this report, "Company" means Yuken India Limited, "Act" means the Companies Act, 2013, and "SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## FINANCIAL PERFORMANCE

### a) Results of Operations and State of Affairs

(Amount in lakhs)

| Particulars                                                             | Consolidated     |                  | Standalone       |                  |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                         | 31.03. 2026      | 31.03.2025       | 31.03.2026       | 31.03.2025       |
| Revenue from operations                                                 | 46,217.32        | 45,735.63        | 39,729.17        | 39,246.34        |
| Other income                                                            | 401.15           | 373.75           | 522.44           | 446.69           |
| <b>Total income (I + II)</b>                                            | <b>46,618.47</b> | <b>46,109.38</b> | <b>40,251.61</b> | <b>39,693.03</b> |
| <b>EXPENSES</b>                                                         |                  |                  |                  |                  |
| Cost of materials consumed                                              | 19,663.66        | 19,435.10        | 20,412.12        | 19,576.83        |
| Purchases of stock-in-trade                                             | 1,740.53         | 2,004.05         | 1,740.53         | 2,004.05         |
| Changes in stock of finished goods, work-in-progress and stock-in-trade | (141.68)         | (482.65)         | (503.31))        | 221.19           |
| Employee benefits expense                                               | 6,660.99         | 6,326.96         | 5,313.19         | 5,124.53         |
| Finance costs                                                           | 1,076.21         | 1,039.89         | 639.62           | 711.43           |
| Depreciation and amortisation expense                                   | 2,133.60         | 1,718.81         | 1,419.37         | 1,246.65         |
| Other expenses                                                          | 13,241.81        | 12,965.43        | 9,411.00         | 9,011.45         |
| <b>Total expenses</b>                                                   | <b>44,375.12</b> | <b>43,007.59</b> | <b>38,432.52</b> | <b>37,896.13</b> |
| Profit before tax, share of profit/(loss) of associates                 | 2,243.35         | 3,101.79         | 1,819.09         | 1,796.90         |
| Share of profit /(loss) of associates                                   | (30.96)          | 65.12            | -                | -                |
| <b>Profit before tax</b>                                                | <b>2,212.39</b>  | <b>3,166.91</b>  | <b>1,819.09</b>  | <b>1,796.90</b>  |
| Total Tax expense/(benefit)                                             | 773.36           | 706.75           | 483.47           | 412.90           |
| <b>Profit after tax from operations</b>                                 | <b>1,439.03</b>  | <b>2,460.16</b>  | <b>1,335.62</b>  | <b>1,384.00</b>  |
| <b>Total comprehensive income for the period</b>                        | <b>1,400.87</b>  | <b>2,357.81</b>  | <b>1,290.12</b>  | <b>1,289.61</b>  |
| Paid up equity share capital                                            | 1,358.40         | 1,300.00         | 1,358.40         | 1,300.00         |
| Other equity                                                            | 35,954.07        | 28,815.23        | 34,344.76        | 27,324.96        |
| Earnings per equity share                                               |                  |                  |                  |                  |
| I. Basic                                                                | 10.81            | 18.94            | 9.98             | 10.65            |
| II. Diluted                                                             | 10.81            | 18.94            | 9.98             | 10.65            |

## b) Consolidated Performance

During FY 2025-26, the Company's consolidated revenue from operations increased marginally by 1.05% to ₹46,217.32 lakhs from ₹45,735.63 lakhs in the previous year. Total income grew to ₹46,618.47 lakhs as against ₹46,109.38 lakhs in FY 2024-25.

Total expenses increased by 3.18% to ₹44,375.12 lakhs from ₹43,007.59 lakhs, primarily on account of higher employee benefit costs, depreciation and other operating expenses. Employee benefit expenses increased by 5.28% to ₹6,660.99 lakhs, reflecting continued investment in human resources, while depreciation and amortisation expenses increased by 24.13% to ₹2,133.60 lakhs due to capital expenditure undertaken during the year.

Consequently, Profit Before Tax (PBT) stood at ₹2,212.39 lakhs as compared to ₹3,166.91 lakhs in the previous year. Profit After Tax (PAT) declined to ₹1,439.03 lakhs from ₹2,460.16 lakhs in FY 2024-25. Total Comprehensive Income for the year was ₹1,400.87 lakhs against ₹2,357.81 lakhs in the previous year.

The consolidated net worth strengthened during the year, with other equity increasing to ₹35,954.07 lakhs from ₹28,815.23 lakhs. Earnings Per Share (EPS) stood at ₹10.81 as against ₹18.94 in the previous year.

## c) Standalone Performance

On a standalone basis, revenue from operations increased by 1.23% to ₹39,729.17 lakhs from ₹39,246.34 lakhs in FY 2024-25. Total income stood at ₹40,251.61 lakhs compared to ₹39,693.03 lakhs in the previous year.

Total expenses increased by 1.42% to ₹38,432.52 lakhs from ₹37,896.13 lakhs, mainly due to higher employee costs and depreciation charges. Employee benefit expenses increased by 3.68% to ₹5,313.19 lakhs, while depreciation and amortisation expenses increased by 13.85% to ₹1,419.37 lakhs.

Profit Before Tax improved marginally to ₹1,819.09 lakhs as against ₹1,796.90 lakhs in FY 2024-25. Profit After Tax stood at ₹1,335.62 lakhs compared to ₹1,384.00 lakhs in the previous year. Total Comprehensive Income remained stable at ₹1,290.12 lakhs as against ₹1,289.61 lakhs in FY 2024-25.

The Company's standalone financial position remained strong, with other equity increasing to ₹34,344.76 lakhs from ₹27,324.96 lakhs. Earnings Per Share (EPS) stood at ₹9.98 compared to ₹10.65 in the previous year.

## d) Outlook

The Company maintained stable revenue growth during FY 2025-26 despite a challenging business environment. While profitability was impacted by higher operating costs, increased employee expenses and depreciation charges arising from investments in capacity and infrastructure, the strengthening of reserves and net worth reflects the Company's continued focus on long-term growth, operational resilience and value creation for stakeholders.

## e) Share capital

### Authorised Share capital

The Authorized share Capital of the Company is Rs. 17,00,00,000 consisting of 1,70,00,000 Equity Shares of Rs. 10/- each.

### Paid Up Share Capital

During the year under review, the paid-up equity share capital of the Company increased pursuant to the allotment of 5,84,000 equity shares of face value ₹10 each at a premium of ₹1,016 per share to Yuken Kogyo Company Limited, Japan, the Promoter of the Company.

Consequently, the paid-up equity share capital of the Company has increased from 1,30,00,000 equity shares of ₹10 each in the previous financial year (2024-25) to 1,35,84,000 equity shares of ₹10 each as at the end of the financial year under review.

### Details of Paid-up Share Capital:

| Particulars                     | FY 2025-26   | FY 2024-25   |
|---------------------------------|--------------|--------------|
| Number of Equity Shares         | 1,35,84,000  | 1,30,00,000  |
| Face Value per Share (₹)        | 10           | 10           |
| Total Paid-up Share Capital (₹) | 13,58,40,000 | 13,00,00,000 |

## f) Particulars of Loans, Guarantees and Investments made by the Company

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



- During the year under review, the Company has granted the Corporate Guarantees to its Subsidiary Companies and existing Guarantees are renewed. The details of Guarantees granted and outstanding as on March 31, 2026, are as under.

(Amount in lakhs)

| Sl. No. | Name of the Subsidiary                    | Name of Bank                        | Current Year                                                             | Outstanding Balance as on March 31, 2026 |
|---------|-------------------------------------------|-------------------------------------|--------------------------------------------------------------------------|------------------------------------------|
| 1       | Coretec Engineering India Private Limited | HDFC Bank                           | Nil                                                                      | 380                                      |
|         |                                           | Sumitomo Mitsui Banking Corporation | Nil                                                                      | 600                                      |
| 2       | Grotek Enterprises Private Limited        | HDFC Bank                           | Nil                                                                      | 600                                      |
|         |                                           | Sumitomo Mitsui Banking Corporation | Nil                                                                      | 2,644                                    |
| 3       | Kolben Hydraulics Limited                 | Sumitomo Mitsui Banking Corporation | Nil                                                                      | 200                                      |
| 4       | AEPL Grotek Renewable Energy Pvt Ltd      | Sumitomo Mitsui Banking Corporation | 240 (Approved by Board of Directors at their meeting held on 13-08-2025) | 1,690                                    |

**g) Amount, if any, proposed to be transferred to reserves:**

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

## 2. DIVIDEND

During the financial year 2024–25, the Company paid a final dividend of ₹1.50 per equity share of face value ₹10 each, pursuant to the approval of the shareholders.

For the financial year 2025–26, the Board of Directors has recommended a final dividend of ₹1.50 per equity share of face value ₹10 each, resulting in an estimated cash outflow of approximately ₹2.37 Crores. The proposed dividend is subject to deduction of tax at source, as applicable, and approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The Dividend Distribution Policy, as required under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company, as it does not fall within the top 1,000 listed entities based on market capitalization.

### Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unclaimed dividend and corresponding shares to the Investor Education and Protection Fund (IEPF) during the financial year 2025–26.

### Dividend Remitted to IEPF

During the year under review, the Company transferred to the IEPF the dividend amounts which remained unclaimed or unpaid for a period of seven consecutive years, as detailed below:

| Financial Year | Nature of Dividend | Date of Transfer to IEPF | Amount (₹) |
|----------------|--------------------|--------------------------|------------|
| 2017–18        | Final              | October 10, 2025         | 52,028.00  |

### Shares Transferred to IEPF

In accordance with the aforesaid provisions, the Company has also transferred the underlying equity shares in respect of which dividend remained unclaimed or unpaid for seven consecutive years to the IEPF:

| Financial Year | Nature of Shares | No. of Shares | Date of Transfer |
|----------------|------------------|---------------|------------------|
| 2017–18        | Equity           | 35,439        | October 28, 2025 |

## 3. ANNUAL RETURN:

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

## 4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has prepared Consolidated Financial Statements in accordance with the provisions of Section 129 of the Companies Act, 2013, which include the financial performance



of the Company and its subsidiaries, and form part of this Annual Report.

A report on the performance and financial position of each subsidiary, along with the salient features of their financial statements in the prescribed Form AOC-1, is provided as Annexure 1 to this Report.

The Policy for determining 'Material Subsidiaries' is available on the Company's website under the <https://www.yukenindia.com/disclosure-under-Reg-46/> section. In terms of Section 136 of the Act, the standalone financial statements of the subsidiary companies are also available on the Company's website under the <https://www.yukenindia.com/financial-results> section.

The audited financial statements of the subsidiary companies will be made available for inspection, and physical copies thereof shall be provided to the Members upon request.

The Company has following subsidiaries as on March 31, 2026:

|                                              |                                                                                               |
|----------------------------------------------|-----------------------------------------------------------------------------------------------|
| Grotek Enterprises Private Limited           | Wholly Owned Subsidiary Company                                                               |
| Coretec Engineering India Private Limited    | Wholly Owned Subsidiary Company                                                               |
| Kolben Hydraulics Limited                    | Subsidiary Company                                                                            |
| AEPL Grotek Renewable Energy Private Limited | Step-down subsidiary Company (Grotek Enterprises Private Limited holding 51% of Voting power) |
| Sai India Limited                            | Associate Company                                                                             |

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

Rs. In Lakhs

| Particulars                                                | Grotek Enterprises Private Limited | Coretec Engineering India Private Limited | Kolben Hydraulics Limited | AEPL Grotek Renewable Energy Private Limited | Sai India Limited |
|------------------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------|----------------------------------------------|-------------------|
| <b>Total Income</b>                                        |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 8,905.57                           | 5,943.23                                  | 1,190.57                  | 145.87                                       | 2,879.43          |
| FY 2025                                                    | 9,455.36                           | 4,899.17                                  | 1,461.43                  | 49.38                                        | 3,154.54          |
| <b>Total expenditure</b>                                   |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 8,120.29                           | 6,100.16                                  | 1,324.24                  | 327.17                                       | 2,681.81          |
| FY 2025                                                    | 8,417.96                           | 4,881.13                                  | 1,511.65                  | 47.88                                        | 2,927.57          |
| <b>Profit/(Loss) before interest, depreciation and tax</b> |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 785.28                             | (156.93)                                  | (133.67)                  | (181.29)                                     | 197.61            |
| FY 2025                                                    | 1,037.40                           | 18.04                                     | (50.22)                   | 1.50                                         | 226.98            |
| <b>Profit/(Loss) after tax</b>                             |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 558.54                             | (194.72)                                  | (176.73)                  | (181.29)                                     | 152.23            |
| FY 2025                                                    | 740.37                             | (11.82)                                   | (39.18)                   | 1.50                                         | 160.38            |
| <b>Total comprehensive income for the year</b>             |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 562.10                             | (190.94)                                  | (176.73)                  | (181.29)                                     | 145.05            |
| FY 2025                                                    | 734.93                             | (14.35)                                   | (39.18)                   | 1.50                                         | 159.08            |
| <b>Earnings per share (in Rs.)</b>                         |                                    |                                           |                           |                                              |                   |
| FY 2026                                                    | 11.15                              | (5.38)                                    | (5.89)                    | (1.68)                                       | 16.91             |
| FY 2025                                                    | 14.78                              | (0.33)                                    | (1.31)                    | 0.01                                         | 17.82             |



## 5. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Audit Committee, at its meeting held on February 13, 2026, reviewed and accorded its approval for the related party transactions proposed to be entered into by the Company for the financial year 2026-27.

All related party transactions are placed before the Audit Committee for prior approval and are subject to quarterly review to ensure compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, all transactions with related parties were carried out in the ordinary course of business and on an arm's length basis, and there were no material related party transactions requiring approval of the shareholders. The Policy on determination of materiality of related party transactions was reviewed and updated by the Board at its meeting held on November 11, 2025, and is available on the Company's website under the <https://www.yukenindia.com/disclosure-under-Reg-46/> section.

The particulars of related party transactions, as required under Section 188(1) of the Companies Act, 2013, are disclosed in Form AOC-2, which forms part of this Report as Annexure 2.

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

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

The Company has implemented various CSR projects directly and/ or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. A detailed Report on CSR is enclosed as 'Annexure-3' forming part of this report

## 7. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies

(Accounts) Rules, 2014 is given as Annexure 5 in the Board's Report.

## 8. INTERNAL FINANCIAL CONTROL AND ADEQUACY

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

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the year under review is presented as a separate section and forms part of this Annual Report as Annexure 6. The said Report has been reviewed by the Audit Committee.

## 10. CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 read with Schedule V of SEBI Listing Regulations, a report on Corporate Governance along with a Compliance Certificate issued by Statutory Auditors of the Company is appended as Annexure 7 and forms an integral part of this Report (hereinafter referred to as "Corporate Governance Report").

## 11. DECLARATION BY INDEPENDENT DIRECTOR

All the Independent Directors of the Company have submitted the requisite declarations under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act, read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that the Independent Directors of the Company possess the requisite integrity, expertise, and experience, and that there has been no change in the circumstances affecting their status as Independent Directors.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Directors that could affect their independence, other than the payment of remuneration to Executive Directors and the payment of sitting fees and commission to Non-Executive Directors, along with reimbursement of expenses incurred by them for attending meetings of the Board and its Committees.

## 12. 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                        | Designation                                     |
|---------|-----------------------------|-------------------------------------------------|
| 1       | Mr. Tadanori Okada          | Non-Executive Non-Independent Director-Chairman |
| 2       | Mr. Yoshitake Tanaka        | Non-Executive Non-Independent Director          |
| 3       | Mr. T Parabrahman           | Non-Executive Independent Director              |
| 4       | Mr. K Chandrashekhar Sharma | Non-Executive Independent Director              |
| 5       | Mrs. Indra Prem Menon       | Non-Executive Independent Director              |
| 6       | Mr. C P Rangachar           | Managing Director                               |

### 13. KEY MANAGERIAL PERSONNEL

In terms of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: the Key Managerial Personnel of the Company are:

| Sl. No. | Name                  | Designation                            |
|---------|-----------------------|----------------------------------------|
| 1       | Mr. C P Rangachar     | Managing Director                      |
| 2       | Mr. H M Narasinga Rao | VP-Finance & Chief Financial Officer   |
| 3       | Mr. Venkatakrishnan A | Chief Executive Officer                |
| 4       | Mr. Suhas H M*        | Company Secretary & Compliance Officer |
| 5       | Ms. Suchithra R*      | Company Secretary & Compliance Officer |

**Note:**

\*Mr. Suhas H M has been appointed as the Company Secretary & Compliance Officer of the Company with effect from July 31, 2025.

\*Ms. Suchithra R resigned from the position of Company Secretary and Compliance Officer of the Company with effect from June 16, 2025.

### 14. SENIOR MANAGEMENT PERSONNEL

In terms of Clause 16(d) of the Listing Regulations, the Company has identified the Senior Management Personnel comprising of all the Key Managerial Personnel of the Company excluding Non-Executive and Independent Directors and includes the Chief Technology Officer, the Chief Supply Chain Officer and

the Chief Human Resource Officer. The following employees (excluding KMPs) are designated as Senior Management Personnel in accordance with the Listing Regulations:

| Sl. No. | Name               | Designation                           |
|---------|--------------------|---------------------------------------|
| 1       | Mr. K Gopalkrishna | Executive Director – Customer Support |
| 2       | Mr. Rakeshkumar    | Chief Operating Officer               |
| 3       | Mr. Arvind Mishra  | Head (Gear Pump Division)             |
| 4       | Mr. K G Ravi       | Vice president (Plant Automation)     |
| 5       | Mr. K V Mahesh     | Head (Marketing)                      |
| 6       | Mr. S Shekhar      | Head (Human Resource)                 |
| 7       | Mr. Nandakumar     | Head (Elements)                       |
| 8       | Mr. Srinivas Patil | Head (System)                         |

### 15. BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors based on criteria such as the Board composition and structure, effectiveness of Board processes, flow of information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc

The above criteria are broadly based on the Guidance note on Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of Independent Directors held on March 16, 2026, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, considering the views of the Executive Directors and Non-Executive Directors.

### 16. POLICY ON BOARD'S APPOINTMENT

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. The appointment of the Directors on the Board is based on the recommendation of the Nomination and Remuneration Committee and approved by the Board, subject to the approval of the Shareholders. The





appointments are in line with the statutory requirements of the Act, the Listing regulations and the Company policy.

The Details of Board and Committee composition, tenure of directors, areas of expertise and other details are available in the corporate governance report which forms part of this Annual Report.

## 17. POLICY ON BOARD'S REMUNERATION

The Board has approved the Remuneration Policy for Directors. The Policy lays down the parameters based on which payment of sitting fees and commission should be made to Independent Directors and Non-Executive Directors. This Policy also states the basis on which the fixed salary, benefits and perquisites, bonus / performance linked incentive, commission, retirement benefits should be given to Executive Directors.

During the year under review, no single Non-Executive Director was in receipt of annual remuneration which exceeded 50% of the total annual remuneration payable to all Non-Executive Directors.

## 18. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed and there were no material departures
- The Directors selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs at the end of the financial year and of the profit of the Company for that period.
- The Directors had taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act 2013, for safeguarding the assets and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.
- The Directors had laid internal financial controls to be followed by the Company and that such internal financial controls are adequate and operate effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. BUSINESS INTEGRITY AND ETHICS

Integrity is one of the fundamental values of the Company. The Company communicates its Code of Business Principles internally and externally.

The Company has adopted a Code of Business Conduct and Ethics which applies to all Directors, Employees, Subsidiaries and Affiliates. The Managing Director and CEO has confirmed to the Board that the Company has adopted a Code of Conduct for its employees and Directors and has received a declaration of compliance with the Code of Conduct for the year ended March 31, 2026. The Annual declaration affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the year ended March 31, 2026, forms part of the Corporate Governance Report.

## 20. RISK MANAGEMENT:

The provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. However, the Company has constituted a Risk Management Committee. Risks are identified by the respective departmental heads across the organization.

Each Strategic Business Unit (SBU) and corporate functions carry out risk assessments for the identified risks, as applicable to them. Appropriate actions are taken based on the likelihood and potential impact of such risks.

The Company has implemented various measures to mitigate risks, including strengthening data and system security by the IT department, implementing safety measures in manufacturing units to prevent accidents, installation of CCTV cameras and sirens at factory premises for employee safety, and adopting measures to mitigate risks arising from foreign exchange transactions. The Company also undertakes initiatives for the welfare of employees and other stakeholders.

## 21. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism as envisaged in the Act, the Rules prescribed thereunder, and the Listing Regulations, which is implemented through the Company's Whistle-Blower Policy. The Board of Directors has adopted the updated Whistle-Blower Policy at its meeting held on February 13, 2026. The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation, and also allows for anonymous reporting of complaints. It further makes provision for direct access to the Chairman of the Audit Committee. A quarterly report on whistle-blower complaints is placed before the Audit Committee for its review. No complaints were received during the Financial Year 2026 under the Vigil Mechanism. The

Company's Whistle-Blower Policy is available on its website at the official Company website at <https://www.yukenindia.com/disclosure-under-Reg-46/>.

## 22. SECRETARIAL COMPLIANCE

The Company has complied with the requirements of Secretarial Standards on Meetings of the Board of Directors ("SS-1") and Secretarial Standards on General Meetings ("SS-2"), issued and mandated by the Institute of Company Secretaries of India, as well as the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Further, the Company has undertaken an audit for the Financial Year 2025-26 for all applicable compliances as per SEBI Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. V. Sreedharan & Associates, Peer-reviewed and Independent Secretarial Auditors, has been submitted to the Stock Exchanges.

## 23. DEPOSITS FROM THE PUBLIC

During the year under review, the Company has not accepted any deposits from the public. Hence, no amount on account of principal or interest on deposits from the public were outstanding as on March 31, 2026.

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

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

## 25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information as required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure 4 to the Board's Report.

The particulars of employees drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available with the Company. However, in accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all members of the Company excluding the said information. Any member interested in obtaining such details may submit a written request to the Company Secretary at the registered office of the Company, and the same will be provided upon request.

## 26. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

There are no significant orders that have been passed by any Regulator or Court or Tribunal which can have implications on the going concern status, the Company's operations in future, there is no material litigation outstanding and there are no cases pending or filed against the Company or any liabilities attached to the Company in respect of any of the matters pertaining to securities.

## 27. AUDIT AND AUDITORS

### Statutory Auditors

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

There are no qualifications in their report for the financial year ended March 31, 2026. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements.

### Key Audit Matter

M/s. Walker Chandiook and Co., LLP Statutory Auditors of the Company rendered an opinion regarding the fair presentation in the Financial Statements of the company's financial condition and operating results. Their audits are conducted in accordance with Indian Accounting Standards (Ind As) and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion. The Statutory Auditors of the Company have issued an Audit Report with an unmodified opinion on the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended March 31, 2026.

### Secretarial Auditors

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed M/s V. Sreedharan & Associates, Practising Company Secretaries (Firm Registration No. P1985KR14800), to conduct the Secretarial Audit of the Company for the financial years 2025-26 to 2029-30. The appointment has been made at such remuneration, plus applicable taxes and reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board and the Auditor from time to time.



Further, in compliance with Regulation 24A of the SEBI Listing Regulations, the Company's material subsidiaries, namely Grotek Enterprises Private Limited and Coretec Engineering India Private Limited, are also subject to secretarial audit requirements. Accordingly, M/s AAA & Co., Practicing Company Secretaries, have been appointed as Secretarial Auditors of the said material subsidiaries for the relevant financial periods, in accordance with applicable regulatory requirements.

The Secretarial Audit Reports issued by M/s V. Sreedharan & Associates for the Company and by M/s AAA & Co. for the material subsidiaries have been duly reviewed by the Board. The said reports do not contain any qualification or adverse remarks impacting the operations or compliance status of the Company. The Secretarial Audit Reports are annexed herewith as Annexure 8 and form an integral part of this Annual Report.

### Cost Auditors

The Board, based on the recommendations of the Audit Committee has re-appointed M/s. Adarsh Sharma & Co., Cost Accountants as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2025-26.

Your directors proposed to ratify the remuneration payable to them for the financial year 2026-27 at the ensuing Annual General Meeting. A resolution seeking Member's approval for remuneration payable to Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration.

### Internal Auditors

The Board based on the recommendations of the Audit Committee has appointed an independent audit firm M/s. Gnanoba & Bhat Chartered Accountants, Bengaluru, as Internal Auditors of the Company to carry out the internal audit functioning for FY 2026-27. M/s. Gnanoba & Bhat have confirmed that they are free from any disqualifications and also their independence and arm's length relationship with the Company and are a peer reviewed audit firm including its partners.

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

The Company maintains a zero-tolerance policy towards sexual harassment at the workplace and has adopted a Policy on Prevention of Sexual Harassment. No complaints were received during the financial year 2025-26.

## 29. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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

## 30. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulation as amended, the requirement to furnish a Business Responsibility and Sustainability Report applies only to the top 1,000 listed entities based on market capitalisation, calculated as on 31<sup>st</sup> December of every year.

As the Company does not fall within the top 1,000 listed entities as on December 31, 2025, it is not required to prepare a Business Responsibility and Sustainability Report. Accordingly, the said report has not been prepared for the financial year 2025-26.

## 31. 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.

## 32. GREEN INITIATIVE

As part of this initiative, soft copies of the Annual Report and the Notice of 50<sup>th</sup> Annual General Meeting were sent to all members whose email addresses are registered with the Company/Depository Participants/Registrar and Share Transfer Agents(RTA)



Further MCA General Circular No 09/2024 dated September 19, 2024, SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, exempts companies from the provision of dispatching hard copies of annual report for this FY 2025-26, Accordingly, soft copies of the Annual Report 2025-26 and the Notice of the General meeting will be emailed to shareholders. However, hard copy of full annual report will be sent to those shareholders who request for the same. Members whose email id is not registered with the Company may write to [csyil@yukenindia.com](mailto:csyil@yukenindia.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for obtaining the soft copy of the Annual Report.

### 33. 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**

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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



## Annexure-01

## Form AOC-1

**[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]**

Statement containing the salient features of the Financial Statements of Subsidiaries/Associate Companies/Joint Ventures

## Part "A": Subsidiaries

(Amount in Lakhs)

| Particulars                                                                                                         | Name of the Subsidiaries           |                                           |                           |                                              |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------|----------------------------------------------|
|                                                                                                                     | Grotek Enterprises Private Limited | Coretec Engineering India Private Limited | Kolben Hydraulics Limited | AEPL Grotek Renewable Energy Private Limited |
| The date since when subsidiary was acquired/ Incorporated                                                           | December 24, 1997                  | June 18, 1998                             | July 10, 2007             | April 08, 2024                               |
| Reporting period for the subsidiary concerned, if different from the holding Company's Reporting period             | NA                                 | NA                                        | NA                        | NA                                           |
| Reporting Currency and Exchange rate as on the last date of the relevant Fiscal in the case of foreign subsidiaries | INR                                | INR                                       | INR                       | INR                                          |
| Share Capital                                                                                                       | 501.00                             | 361.96                                    | 300.06                    | 1,076.00                                     |
| Reserves and Surplus                                                                                                | 1,952.78                           | (389.44)                                  | (383.95)                  | (238.66)                                     |
| Total Assets                                                                                                        | 7,345.74                           | 5,655.29                                  | 851.24                    | 2,887.99                                     |
| Total Liabilities                                                                                                   | 4,891.97                           | 5,682.77                                  | 935.13                    | 2,050.65                                     |
| Investments                                                                                                         | 549.00                             | Nil                                       | Nil                       | Nil                                          |
| Total Revenue                                                                                                       | 8,858.34                           | 5,908.66                                  | 1,187.20                  | 145.79                                       |
| Profit/(Loss) before taxation                                                                                       | 785.28                             | (156.93)                                  | (133.67)                  | (181.29)                                     |
| Provision for taxation                                                                                              | 226.74                             | 37.79                                     | 43.06                     | Nil                                          |
| Profit/(Loss) after taxation                                                                                        | 558.54                             | (194.72)                                  | (176.73)                  | (181.29)                                     |
| Comprehensive Income                                                                                                | 3.56                               | 3.78                                      | (176.73)                  | (181.29)                                     |
| Total Comprehensive income                                                                                          | 562.10                             | (190.94)                                  | (176.73)                  | (181.29)                                     |
| Proposed Dividend                                                                                                   | Nil                                | Nil                                       | Nil                       | Nil                                          |
| Extent of shareholding (in percentage)                                                                              | 100                                | 100                                       | 95.30                     | 51                                           |

There are no subsidiaries which are yet to commence operations or sold during the fiscal 2026

## Part "B": Associates and Joint Ventures

Rs. In lakhs (except shares)

| SI No. | Name of Associates/Joint Ventures                                                       | Sai India Limited                                                                                                             |
|--------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 1      | Latest audited Balance Sheet Date                                                       | March 31, 2026                                                                                                                |
| 2      | Shares of Associate/Joint Ventures held by the Company on the year ended March 31, 2026 | 3,60,000                                                                                                                      |
| 3      | Amount of Investment in Associates                                                      | 20                                                                                                                            |
| 4      | Extent of Holding in Percentage                                                         | 40                                                                                                                            |
| 5      | Description of how there is significant influence                                       | Holding 40% stake in the company<br>Mr. C P Rangachar, Managing Director of the Company is also Director in Associate Company |
| 6      | Reason why the associates is not consolidated                                           | NA                                                                                                                            |
| 7      | Net worth attributable to shareholding as per latest audited Balance Sheet              | 667.39                                                                                                                        |
| 8      | Profit/ (Loss) for the year including comprehensive income                              | 145.05                                                                                                                        |
| 9      | Considered in Consolidation                                                             | 58.02                                                                                                                         |
| 10     | Not Considered in Consolidation                                                         | 87.03                                                                                                                         |

There are no Associates and Joint Ventures which are yet to commence operations or sold during the fiscal 2026

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

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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





## Annexure-02

## Form AOC-2

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts or 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 fourth proviso thereto:

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

All transactions made during the Financial Year 2025-26 were at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year 2025-26 as follows:**

There have been material contract/arrangement/transactions with Coretec Engineering India Private Limited wholly owned subsidiary of the Company. The details of transactions are as follows:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---------------------------------------------------------|------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------|
| Coretec Engineering India Private Limited               | Purchase of goods                              | Ongoing                                               | Value of Transaction during FY 2025-26 is 5,661.87 Lakhs                                    | February 13, 2025                        | Nil                             |

**Note**

1. The Company determines materiality of transactions in accordance with its Related Party Transaction Policy and Regulation 23 of the SEBI Listing Regulations.
2. Special resolution under Section 188 of the Act and SEBI Listing Regulations is not applicable as transactions are with wholly owned subsidiaries.
3. For details, refer Note 42 of the standalone financial statements for FY ended March 31, 2026.

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

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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

## Annexure-03

# Annual Report on Corporate Social Responsibility Activities (CSR)

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (CSR) Rules, 2014 as amended]

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

The CSR Policy of Yuken India Limited reflects its commitment to sustainable and inclusive development through structured initiatives. It provides a framework for undertaking activities aimed at the welfare of society and the environment.

The Company's CSR focus areas include education, healthcare, environment, sports, and other socially relevant sectors, ensuring meaningful impact in communities.

The Policy is aligned with the Companies Act, 2013 and Schedule VII, and provides for proper governance, transparency, and implementation based approval of the Board.

## 2. Composition of CSR Committee

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

## 3. Web-link where the Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

|                                        |                                                                                                                 |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Composition of the CSR Committee Link: | <a href="https://www.yukenindia.com/corporate-governance/">https://www.yukenindia.com/corporate-governance/</a> |
| CSR Policy Link:                       | <a href="https://www.yukenindia.com/corporate-governance/">https://www.yukenindia.com/corporate-governance/</a> |
| CSR Projects Link:                     | <a href="https://www.yukenindia.com/corporate-governance/">https://www.yukenindia.com/corporate-governance/</a> |

|                                                                                                                                                           |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable</b> | Not Applicable     |
| <b>5.</b> a) Average net profit of the Company as per sub-section (5) of section 135. :                                                                   | Rs. 1,634.26 Lakhs |
| b) Two percent of average net profit of the Company as per sub-section (5) of section 135. :                                                              | Rs. 32.69 Lakhs    |
| c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. :                                                 | Nil                |
| d) Amount required to be set off for the financial year, if any. :                                                                                        | Nil                |
| e) Total CSR obligation for the financial year [(b)+(c)-(d)]. :                                                                                           | Rs. 32.69 Lakhs    |
| <b>6.</b> a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). :                                                        | Rs. 32.71 Lakhs    |
| b) Amount spent in Administrative Overheads :                                                                                                             | Nil                |
| c) Amount spent on Impact Assessment, if applicable :                                                                                                     | Nil                |
| d) Total amount spent for the Financial Year [(a)+(b)+(c)]. :                                                                                             | Rs. 32.71 Lakhs    |



e) CSR amount spent or unspent for the financial year

| Total Amount Spent<br>for the Financial Year.<br>(In Rs.) | Amount Unspent (in Rs.)                                                      |                  |                                                                                                        |        |                  |
|-----------------------------------------------------------|------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------|--------|------------------|
|                                                           | Total Amount transferred to<br>Unspent CSR Account as per section<br>135(6). |                  | Amount transferred to any fund specified under<br>Schedule VII as per second proviso to section 135(5) |        |                  |
|                                                           | (Amount in Rs.)                                                              | Date of transfer | Name of the Fund                                                                                       | Amount | Date of transfer |
| Rs. 32.71 Lakhs                                           | Not Applicable                                                               |                  |                                                                                                        |        |                  |

f) Excess amount for set-off, if any:

| SI<br>No. | Particulars                                                                                                 | Amount ₹        |
|-----------|-------------------------------------------------------------------------------------------------------------|-----------------|
| i)        | Two percent of average net profit of the company as per section 135(5)                                      | Rs. 32.69 Lakhs |
| ii)       | Total amount spent for the Financial Year                                                                   | Rs. 32.71 Lakhs |
| iii)      | Excess amount spent for the financial year [(ii)-(i)]                                                       | Rs.0.02 Lakhs   |
| iv)       | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil             |
| v)        | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Rs.0.02 Lakh    |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

For and on behalf of the Board of Directors

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

**K. Chandrashekhar Sharma**  
Chairman of CSR committee  
DIN: 0009505130

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

## Annexure-04

## Details of Ratio of Remuneration of Director [Section 197(12), of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

### I. Ratio of Remuneration of Each Director to Median Remuneration of Employees

| Sl. No. | Name of the Director        | Designation                                     | Ratio to Median Remuneration |
|---------|-----------------------------|-------------------------------------------------|------------------------------|
| 1       | Mr. Tadanori Okada          | Non-Executive Non-Independent Director-Chairman | 0.91:1                       |
| 2       | Mr. C P Rangachar           | Managing Director                               | 21.52:1                      |
| 3       | Mr. Yoshitake Tanaka        | Non-Executive Non-Independent Director          | 0.91:1                       |
| 4       | Mr. T Parabrahman           | Non-Executive Independent Director              | 1.28:1                       |
| 5       | Mr. K Chandrashekhar Sharma | Non-Executive Independent Director              | 1.23:1                       |
| 6       | Mrs. Indra Prem Menon       | Non-Executive Independent Director              | 1.18:1                       |

### II. Percentage Increase in Remuneration of Directors / KMPs during the Financial Year

| Sl. No. | Name of the Director        | Designation                                     | % Increase |
|---------|-----------------------------|-------------------------------------------------|------------|
| 1       | Mr. Tadanori Okada          | Non-Executive Non-Independent Director-Chairman | 113%       |
| 2       | Mr. C P Rangachar           | Managing Director                               | 24%        |
| 3       | Mr. Yoshitake Tanaka        | Non-Executive Non-Independent Director          | (76)%      |
| 4       | Mr. T Parabrahman           | Non-Executive Independent Director              | 114%       |
| 5       | Mr. K Chandrashekhar Sharma | Non-Executive Independent Director              | 92%        |
| 6       | Mrs. Indra Prem Menon       | Non-Executive Independent Director              | 59%        |
| 7       | Mr. H M Narasinga Rao       | VP-Finance & Chief Financial Officer            | (26)%      |
| 8       | Mr. Venkatakrishnan A       | Chief Executive Officer                         | (18)%      |
| 9       | Mr. Suhas H M*              | Company Secretary & Compliance Officer          | NA         |
| 10      | Ms. Suchithra R*            | Company Secretary & Compliance Officer          | NA         |

**Notes:**

\*Ms. Suchithra has resigned from the position with effect from June 16, 2025

\*Mr. Suhas H M has been appointed as Company Secretary & Compliance Officer w.e.f. July 31, 2025

### III. Percentage Increase in Median Remuneration of Employees

| Particulars                                  | Details |
|----------------------------------------------|---------|
| Increase in Median Remuneration of Employees | (7.94)% |

### IV. Number of Permanent Employees on the Rolls of the Company

| Particulars                   | Details |
|-------------------------------|---------|
| Number of Permanent Employees | 446     |





## V. Average Percentage Increase in Salaries and Comparison with Managerial Remuneration

| Particulars                                                                                           | Details                                                                                                                        |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Average annual increase in employee remuneration (including senior management, FTE/TT, workmen, etc.) | 5.5                                                                                                                            |
| Increase in managerial remuneration                                                                   | 24                                                                                                                             |
| Justification                                                                                         | The increase in remuneration is in line with prevailing market trends and internal performance-linked compensation structures. |

## VI. Affirmation on Remuneration Policy

| Particulars                         | Details                                                                                                        |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Compliance with Remuneration Policy | Yes, it is hereby affirmed that the remuneration is in accordance with the Remuneration Policy of the Company. |

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

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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

## Annexure-05

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

| Particulars                                                              | Details as of March 31, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A Conservation of Energy</b>                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| i. Steps taken or impact on conservation of energy                       | <p>The Company continues to undertake various initiatives for conservation and efficient utilization of energy across its manufacturing facilities. The following measures were implemented during the year under review:</p> <ul style="list-style-type: none"> <li>Installation and usage of energy efficient LED lighting systems across various plant locations including Kiriko, Manifold, YE-1, YE-2, Heat Treatment and Phosphating Plants.</li> <li>Improvement and maintenance of power factor, consistently maintained between 0.96 and 0.97 during the year.</li> <li>Installation of servo stabilizers for critical machines and implementation of motion sensor-based lighting systems in office areas.</li> <li>Replacement and optimization of motors and test rigs to improve machine efficiency and reduce power consumption.</li> <li>Installation and usage of Variable Frequency Drive (VFD) based compressors for enhanced energy efficiency.</li> <li>Installation of SSR/Thyristor heater control panels and solar water heating systems in phosphating operations.</li> <li>Progress towards installation of 800 KW solar power panels for renewable energy utilization.</li> <li>Use of energy-efficient street lighting systems within factory premises.</li> <li>installation of waterless urinals across manufacturing facilities resulting in substantial water savings.</li> <li>Continued implementation of rainwater harvesting initiatives and increased utilization of recycled STP water.</li> </ul> <p>The Company remains committed towards sustainable operations through continuous monitoring and implementation of energy conservation initiatives.</p> |
| ii. Steps taken by the Company for utilising alternate sources of energy | <ul style="list-style-type: none"> <li>Usage of VFD (Variable Frequency Drive) based compressors for reduction in power consumption and efficient energy utilization.</li> <li>Installation of solar water heating systems in phosphating operations to reduce dependency on conventional energy sources.</li> <li>Initiation of installation of 800 KW solar power panels for utilization of renewable solar energy.</li> <li>Installation of motion sensor-based lighting systems in office and utility areas to optimize electricity consumption.</li> <li>Increased utilization of recycled STP water and implementation of rainwater harvesting systems for sustainable resource management.</li> <li>Installation of waterless urinals across manufacturing facilities resulting in significant water conservation.</li> <li>Across the Group, the Company has been generating windmill energy as part of its green energy initiative.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |



| Particulars                                                                                                       | Details as of March 31, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii. Capital investment on energy conservation                                                                    | <ul style="list-style-type: none"> <li>Equipment INR 300 Lakhs invested in roof top solar system at Malur plant.</li> </ul>                                                                                                                                                                                                                                                                                                                                               |
| <b>B Technology Absorption</b>                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| i. Efforts made towards technology absorption                                                                     | <p>The Company continues its focus on development of new products, process improvements, automation and enhancement of manufacturing efficiencies through in-house technological capabilities. Continuous efforts are being undertaken towards:</p> <ul style="list-style-type: none"> <li>process optimization,</li> <li>quality improvement,</li> <li>cost reduction,</li> <li>automation initiatives, and</li> <li>enhancement of operational efficiencies.</li> </ul> |
| ii. Benefits derived like product improvement, cost reduction, product development or import Substitution         | <ul style="list-style-type: none"> <li>Improvement in operational efficiency through process optimization and machine efficiency enhancement.</li> <li>Improvement in manufacturing processes and production systems resulting in enhanced productivity.</li> <li>Strengthening of sustainable manufacturing practices through renewable energy initiatives including proposed solar power installation</li> </ul>                                                        |
| iii. In case of imported technology (imported during the last three years reckoned from the beginning of the FY), | Yes- Agreed Value of EUR 1,75,000 (out of which 70% is paid)                                                                                                                                                                                                                                                                                                                                                                                                              |
| a) the details of technology imported                                                                             | Specialized hydraulic pump technology                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| b) Year of import                                                                                                 | 2025-26                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| c) whether the technology been fully absorbed                                                                     | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;                    | <ul style="list-style-type: none"> <li>The absorption process is in progress.</li> <li>Design stage completed</li> <li>Proto Build is Work in Progress</li> </ul>                                                                                                                                                                                                                                                                                                         |
| iv. the expenditure incurred on Research and Development.                                                         | There is continuous increase in R&D Expenditure as the scope of activities carried out keeps on increasing                                                                                                                                                                                                                                                                                                                                                                |
| <b>C Foreign exchange earnings and Outgo</b>                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| i. Inflow                                                                                                         | INR 632.91 Lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ii. Outflow                                                                                                       | INR 255.65 Lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

For and on behalf of the Board of Directors

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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

## Annexure-06

## Management Discussion and Analysis

### A. Global Economic Overview

The global economy recorded moderate growth during FY 2025–26, with GDP expanding by around 3.1%–3.2%, reflecting resilience amid a challenging macroeconomic environment.

The year was marked by heightened trade fragmentation, driven by tariff measures and retaliatory actions among major economies, which disrupted global trade flows and increased supply chain costs. Businesses responded by accelerating supply chain diversification and regionalisation strategies, including “China+1” approaches.

Inflation moderated during the year to approximately 4.2%–4.4%, supported by easing commodity prices, though core inflation remained elevated due to persistent services demand and wage pressures. Central banks adopted a cautious monetary stance, with limited rate cuts, resulting in relatively tight financial conditions.

Geopolitical tensions and energy market volatility continued to impact investor sentiment and global stability, prompting countries to prioritise domestic resilience over multilateral cooperation.

Overall, FY 2025–26 reflected stable but subdued global growth, with ongoing challenges arising from trade disruptions, policy uncertainty, and geopolitical risks.

### B. Indian Economic Overview

The Indian economy recorded strong growth during FY 2025–26, with GDP expanding by around 6.5%–7.0%, supported by robust domestic demand and sustained government capital expenditure.

Investment activity remained healthy, driven by infrastructure development, manufacturing expansion, and policy initiatives such as the Production Linked Incentive (PLI) schemes. India also benefited from global supply chain realignments, strengthening its position as a preferred manufacturing destination.

Inflation remained broadly under control, averaging within the 4.5%–5.5% range, though food price volatility persisted intermittently. The monetary policy environment remained balanced, supporting growth while maintaining price stability.

The banking sector remained stable, with improved asset quality and steady credit growth. While merchandise exports

faced moderate pressure due to global trade challenges, services exports continued to perform well.

Overall, India remained one of the fastest-growing major economies, supported by strong macroeconomic fundamentals, policy support, and resilient domestic consumption, despite external headwinds.

### C. Industry Structure and Developments

Company operates within the hydraulics / fluid power segment of the capital goods industry, catering to sectors such as steel, power, construction, machine tools, plastics, and heavy engineering.

During FY 2025–26, the industry witnessed moderate growth with uneven demand trends. Domestic demand remained supported by government-led capital expenditure, infrastructure development, and manufacturing activity, particularly in core sectors such as steel, energy, and heavy engineering. However, global trade disruptions and industrial slowdown in certain export markets led to volatility in order flows.

The sector continued to undergo structural transformation, driven by:

- Increasing adoption of automation, digitalisation, and energy-efficient hydraulic systems
- Growing emphasis on cost optimisation and performance enhancement
- Shift towards localisation and supply chain diversification, benefiting domestic manufacturers

At the same time, the industry faced margin pressures due to rising input costs and competitive intensity, with both domestic players and global entrants expanding their presence.

From a performance standpoint, companies in the hydraulics segment, including Yuken India, experienced mixed financial trends during the year, with fluctuations in revenues and profitability across quarters, reflecting demand variability and cost pressures.

Overall, FY 2025–26 was characterised by stable but cautious growth in the hydraulics industry, supported by domestic investment activity, while being impacted by external headwinds, pricing pressures, and evolving technological requirements.





## D. Opportunities and Threats

### Opportunities

**Infrastructure and Capex Push:** Continued government focus on infrastructure, railways, defence, and core sectors is driving demand for hydraulic systems and components.

**Manufacturing Growth:** Expansion in domestic manufacturing and initiatives such as PLI are creating sustained demand across engineering industries.

**Supply Chain Realignment:** Global “China+1” strategy presents opportunities for increased localisation and export potential.

**Automation & Efficiency:** Rising adoption of automation and energy-efficient systems is opening avenues for advanced hydraulic solutions.

**Aftermarket Services:** Growing installed base of equipment is supporting steady demand for spares, servicing, and refurbishment.

### Threats

**Cyclical End-User Industries:** Dependence on sectors like steel, construction, and capital goods exposes the business to demand volatility.

**Global Uncertainties:** Trade disruptions and geopolitical tensions may impact exports and supply chains.

**Raw Material Price Volatility:** Fluctuations in steel and input costs can exert pressure on margins.

**Competitive Intensity:** Presence of global and domestic players leads to pricing pressure and margin constraints.

**Technological Substitution:** Increasing shift towards electro-mechanical and alternative motion control technologies may impact traditional hydraulics demand.

## E. Segment-wise / Product-wise Performance

### i. Overview of Business Mix

The FY 2025–26 sales profile reflects a highly concentrated industrial portfolio, with strong dependence on core engineering-linked sectors such as Machine Tools and Steel, while emerging and niche sectors contribute a relatively smaller share. Total Sales: ₹39,729.17 Lakhs

### ii. Segment-wise Sales Performance

| Segment       | Sales (₹ in Lakhs) | Share (%) | Key Observation                     |
|---------------|--------------------|-----------|-------------------------------------|
| Machine Tools | 18,874             | ~47.4%    | Core growth driver, highly dominant |
| Steel         | 5,388              | ~13.5%    | Strong cyclical industrial linkage  |
| Plastics      | 3,747              | ~9.5%     | Stable mid-tier contributor         |
| Others        | 11,720             | ~29.6%    | Diversified small accounts          |

### iii. Key Insights – Segment Performance

#### a) High Dependence on Core Engineering Segment

- Machine Tools (~47%) is the dominant revenue driver.
- Indicates strong linkage to industrial capital expenditure cycles.
- Business performance is therefore sensitive to manufacturing investment cycles

#### b) Industrial Base Segments Provide Stability

- Steel, Plastics, and Construction together contribute ~27%.
- These segments ensure a stable baseline revenue stream across cycles.

#### c) Emerging Strategic Segments

- Defence, Exports, Power (Hydro/Thermal), and Automotive collectively form a small but strategically important base (~10%).
- These segments offer long-term diversification potential, especially Defence and Exports.

#### d) Under-penetrated High-Growth Areas

- Agriculture, Material Handling, Mining, and Mobile segments remain low contributor (<1% each).
- These represent future expansion opportunities through product customization and market development.

#### iv. Product-wise Performance Analysis

Based on Company's hydraulic and engineering product portfolio, the segment-wise sales reflect demand across the following product groups:

##### a) Hydraulic Systems & Power Units

- Strong demand from Machine Tools, Steel, Presses, and HPU Builders.
- Core product line includes:
  - Hydraulic power packs
  - Directional control valves
  - Variable displacement pumps
- This remains the backbone of revenue generation.

#### v. Industrial Automation & Motion Control Products

- Driven by Machine Tools and Automotive sectors.
- Includes:
  - Electro-hydraulic systems
  - Servo and proportional control solutions
- Supports precision manufacturing applications.

#### vi. Infrastructure & Heavy Engineering Solutions

- Power (Hydro & Thermal) segments.
- Products include:
  - Large-scale hydraulic actuation systems
  - Turbine-related hydraulic controls
- Provides steady but project-linked revenue stream.

#### vii. Emerging & Specialized Applications

- Defence, Export, Agriculture, and Mobile applications.
- Focus on:
  - Customized hydraulic systems
  - High-reliability components for strategic sectors
- Represents future growth diversification potential.

## F. Outlook

Yuken India Limited is expected to operate in an environment of gradual but uneven industrial recovery, supported by sustained domestic capital expenditure and continued focus on manufacturing-led growth in India.

The outlook for the hydraulics and fluid power industry remains stable with moderate growth potential, driven by infrastructure

development, expansion in core sectors such as steel, power, railways, and defence, and increasing automation across manufacturing processes. The ongoing "China+1" supply chain realignment is also expected to create additional opportunities for domestic players in engineering and precision components.

Demand for standard hydraulic products and aftermarket services is likely to remain steady, supported by a growing installed base and recurring maintenance requirements. The systems and project-based segment is expected to improve gradually, in line with revival in capital-intensive projects and improved execution cycles.

However, the operating environment may continue to be influenced by global uncertainties, input cost fluctuations, and competitive pressures, which could impact margins and order visibility in the short term. Increasing emphasis on energy efficiency, automation, and technologically advanced hydraulic solutions will require continuous investment in product development and innovation.

Overall, the Company is well-positioned to benefit from long-term structural growth in India's industrial and infrastructure sectors, while maintaining focus on operational efficiency, customer diversification, and product enhancement.

## G. Risks and Concerns

Yuken India Limited operates in the hydraulics and fluid power industry, which is inherently linked to industrial and capital expenditure cycles. The Company remains exposed to certain risks and uncertainties as outlined below:

- Cyclical Demand Risk: The business is dependent on core sectors such as steel, construction, machine tools, and infrastructure, which are cyclical in nature. Any slowdown in capital investment or industrial activity may impact demand for hydraulic products and systems.
- Global Economic and Trade Risks: Ongoing geopolitical tensions, trade restrictions, and supply chain realignments continue to create uncertainty in global markets, potentially affecting export opportunities and input availability.
- Input Cost Volatility: Fluctuations in prices of steel, castings, and other raw materials can impact cost structures and put pressure on margins if not fully passed on to customers.
- Intense Competition: The industry is characterised by competition from both domestic and international players, leading to pricing pressures and the need for continuous product innovation and efficiency improvement.



- Technological Evolution: Increasing adoption of alternative technologies such as electro-mechanical systems and advanced automation solutions may gradually influence demand patterns in traditional hydraulic applications.
- Execution and Project Risk: A portion of revenues is derived from project-based systems, which are subject to delays in execution, extended approval cycles, and variability in customer spending timelines.
- Regulatory and Compliance Risk: Changes in industrial, environmental, or safety regulations may require continuous adaptation in product design and manufacturing processes.

## H. Internal Control Systems and Their Adequacy

A robust internal control system has been established by the Company, commensurate with its scale of operations and

business requirements. These controls are designed to ensure the accuracy, reliability, and effectiveness of key operational and financial processes, while also supporting operational efficiency and compliance.

The internal control framework is periodically reviewed and strengthened through ongoing management evaluations and process improvements. Audit observations and recommendations are reviewed on a continuous basis, and appropriate corrective and preventive actions are promptly implemented by the finance and operational teams.

Significant findings, along with the status of remedial measures, are regularly reported to the Audit Committee for its review and guidance. The Company continues to focus on further enhancing its internal control environment to support sustainable growth and governance standards.

## I. Discussion on financial performance with respect to operational performance.

### FINANCIAL PERFORMANCE

#### Results of Operations and State of Affairs

(Amount in lakhs)

| Particulars                                                             | Consolidated     |                  | Standalone       |                  |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                         | 31.03. 2026      | 31.03.2025       | 31.03.2026       | 31.03.2025       |
| Revenue from operations                                                 | 46,217.32        | 45,735.63        | 39,729.17        | 39,246.34        |
| Other income                                                            | 401.15           | 373.75           | 522.44           | 446.69           |
| <b>Total income (I + II)</b>                                            | <b>46,618.47</b> | <b>46,109.38</b> | <b>40,251.61</b> | <b>39,693.03</b> |
| <b>EXPENSES</b>                                                         |                  |                  |                  |                  |
| Cost of materials consumed                                              | 19,663.66        | 19,435.10        | 20,412.12        | 19,576.83        |
| Purchases of stock-in-trade                                             | 1,740.53         | 2,004.05         | 1,740.53         | 2,004.05         |
| Changes in stock of finished goods, work-in-progress and stock-in-trade | (141.68)         | (482.65)         | (503.31))        | 221.19           |
| Employee benefits expense                                               | 6,660.99         | 6,326.96         | 5,313.19         | 5,124.53         |
| Finance costs                                                           | 1,076.21         | 1,039.89         | 639.62           | 711.43           |
| Depreciation and amortisation expense                                   | 2,133.60         | 1,718.81         | 1,419.37         | 1,246.65         |
| Other expenses                                                          | 13,241.81        | 12,965.43        | 9,411.00         | 9,011.45         |
| <b>Total expenses</b>                                                   | <b>44,375.12</b> | <b>43,007.59</b> | <b>38,432.52</b> | <b>37,896.13</b> |
| Profit before tax, share of profit/(loss) of associates                 | 2,243.35         | 3,101.79         | 1,819.09         | 1,796.90         |
| Share of profit /(loss) of associates                                   | (30.96)          | 65.12            | -                | -                |
| <b>Profit before tax</b>                                                | <b>2,212.39</b>  | <b>3,166.91</b>  | <b>1,819.09</b>  | <b>1,796.90</b>  |
| Total Tax expense/(benefit)                                             | 773.36           | 706.75           | 483.47           | 412.90           |
| <b>Profit after tax from operations</b>                                 | <b>1,439.03</b>  | <b>2,460.16</b>  | <b>1,335.62</b>  | <b>1,384.00</b>  |
| <b>Total comprehensive income for the period</b>                        | <b>1,400.87</b>  | <b>2,357.81</b>  | <b>1,290.12</b>  | <b>1,289.61</b>  |

(Amount in lakhs)

| Particulars                  | Consolidated |            | Standalone |            |
|------------------------------|--------------|------------|------------|------------|
|                              | 31.03. 2026  | 31.03.2025 | 31.03.2026 | 31.03.2025 |
| Paid up equity share capital | 1,358.40     | 1,300.00   | 1,358.40   | 1,300.00   |
| Other equity                 | 35,954.07    | 28,815.23  | 34,344.76  | 27,324.96  |
| Earnings per equity share    |              |            |            |            |
| I. Basic                     | 10.81        | 18.94      | 9.98       | 10.65      |
| II. Diluted                  | 10.81        | 18.94      | 9.98       | 10.65      |

#### h) Consolidated Performance

During FY 2025-26, the Company's consolidated revenue from operations increased marginally by 1.05% to ₹46,217.32 lakhs from ₹45,735.63 lakhs in the previous year. Total income grew to ₹46,618.47 lakhs as against ₹46,109.38 lakhs in FY 2024-25.

Total expenses increased by 3.18% to ₹44,375.12 lakhs from ₹43,007.59 lakhs, primarily on account of higher employee benefit costs, depreciation and other operating expenses. Employee benefit expenses increased by 5.28% to ₹6,660.99 lakhs, reflecting continued investment in human resources, while depreciation and amortisation expenses increased by 24.13% to ₹2,133.60 lakhs due to capital expenditure undertaken during the year.

Consequently, Profit Before Tax (PBT) stood at ₹2,212.39 lakhs as compared to ₹3,166.91 lakhs in the previous year. Profit After Tax (PAT) declined to ₹1,439.03 lakhs from ₹2,460.16 lakhs in FY 2024-25. Total Comprehensive Income for the year was ₹1,400.87 lakhs against ₹2,357.81 lakhs in the previous year.

The consolidated net worth strengthened during the year, with other equity increasing to ₹35,954.07 lakhs from ₹28,815.23 lakhs. Earnings Per Share (EPS) stood at ₹10.81 as against ₹18.94 in the previous year.

#### i) Standalone Performance

On a standalone basis, revenue from operations increased by 1.23% to ₹39,729.17 lakhs from ₹39,246.34 lakhs in FY 2024-25. Total income stood at ₹40,251.61 lakhs compared to ₹39,693.03 lakhs in the previous year.

Total expenses increased by 1.42% to ₹38,432.52 lakhs from ₹37,896.13 lakhs, mainly due to higher employee costs and depreciation charges. Employee benefit expenses increased by 3.68% to ₹5,313.19 lakhs, while depreciation and amortisation expenses increased by 13.85% to ₹1,419.37 lakhs.

Profit Before Tax improved marginally to ₹1,819.09 lakhs as against ₹1,796.90 lakhs in FY 2024-25. Profit After Tax stood at ₹1,335.62 lakhs compared to ₹1,384.00 lakhs in the previous year. Total Comprehensive Income remained stable at ₹1,290.12 lakhs as against ₹1,289.61 lakhs in FY 2024-25.

The Company's standalone financial position remained strong, with other equity increasing to ₹34,344.76 lakhs from ₹27,324.96 lakhs. Earnings Per Share (EPS) stood at ₹9.98 compared to ₹10.65 in the previous year..

#### J. Material developments in Human Resources / Industrial Relations front, including number of people employed.

The company's talent management strategy is focused on building a skilled, motivated, and performance-driven workforce, aligned with its long-term business objectives. Emphasis is placed on continuous learning, capability development, and fostering a culture of innovation and operational excellence.

The company provides regular training and development programmes to enhance technical and functional competencies, along with structured career development opportunities. Employee well-being is supported through a comprehensive benefits framework and initiatives aimed at improving engagement and retention.

Safety continues to remain a key priority, with well-defined protocols and practices implemented across all operational locations to ensure a safe and secure working environment.

As of march 31, 2026, the company's workforce comprises 794 employees across key functional areas including engineering, operations, management, administration, and trainees, supported by contract workforce as required for operational needs.





**K. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor,**

There is no significant changes in any ratios during the period under review.

**L. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

| FY 2026 | FY 2025 | Reason of change                                                                                                                                                                                                               |
|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.01%   | 4.50%   | The decrease is mainly attributable to capital infusion by the Promoter amounting to ₹59.91 Crores, resulting in improvement in the capital base of the Company and the operation remains unchanged compared to previous year. |

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

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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

## Annexure-07

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The essence of Corporate Governance lies in maintaining an appropriate balance between economic, social, individual, and community objectives. At Yuken India Limited, good corporate governance is ingrained as a way of life and is reflected in the manner in which the Company conducts its business on a day-to-day basis.

The Company is committed to enhancing long-term value creation for all stakeholders while upholding the highest standards of integrity, regulatory compliance, environmental responsibility, and societal obligations. Its actions are guided by well-defined values and principles, which are consistently reinforced across all levels of the organisation.

Yuken believes that sustainable profitability must go hand in hand with responsibility towards all stakeholders. This philosophy is embedded in its business practices and is supported by core principles such as transparency, accountability, responsibility, fairness, and ethical conduct.

The Company's Corporate Governance framework encompasses key aspects including the composition and functioning of the Board, role of Directors and Committees, Board diversity, appointment and remuneration of Directors, and oversight of subsidiaries. It also includes systems for ensuring effective decision-making, ethical conduct, and organisational accountability.

The Company remains fully compliant with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and continues to strengthen its governance practices to support sustainable growth and stakeholder confidence.

## 2. THE BOARD OF DIRECTORS

The Board of Directors is at the core of Yuken India Limited's Corporate Governance framework and comprises highly experienced professionals of repute and eminence. The Board plays a pivotal role in fostering and upholding strong standards of governance across the organisation.

The Board is committed to maintaining the highest levels of transparency, accountability, and timely dissemination of information, ensuring compliance not only with the letter of the law but also with its spirit. It continuously strives to uphold high standards of business ethics, integrity, and corporate responsibility.

The Board holds ultimate responsibility for the management, strategic direction, performance, and long-term success of the Company. All operations are conducted under its overall supervision and guidance, within the framework prescribed under the Companies Act, 2013, the Memorandum and Articles of Association of the Company, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### a) Composition and category of directors

| Sl. No | Name                        | Designation                                     |
|--------|-----------------------------|-------------------------------------------------|
| 1      | Mr. Tadanori Okada          | Non-Executive Non-Independent Director-Chairman |
| 2      | Mr. Yoshitake Tanaka        | Non-Executive Non-Independent Director          |
| 3      | Mr. T Parabrahman           | Non-Executive Independent Director              |
| 4      | Mr. K Chandrashekhar Sharma | Non-Executive Independent Director              |
| 5      | Mrs. Indra Prem Menon       | Non-Executive Independent Director              |
| 6      | Mr. C P Rangachar           | Managing Director-Promoter                      |

### b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

| Name of the Director        | No. of Meeting held | No. of meetings attended | Present in last AGM |
|-----------------------------|---------------------|--------------------------|---------------------|
| Mr. Tadanori Okada          | 8                   | 8                        | Yes                 |
| Mr. Yoshitake Tanaka        |                     | 8                        | Yes                 |
| Mr. T Parabrahman           |                     | 8                        | Yes                 |
| Mr. K Chandrashekhar Sharma |                     | 7                        | Yes                 |
| Mrs. Indra Prem Menon       |                     | 7                        | No                  |
| Mr. C P Rangachar           |                     | 8                        | Yes                 |



**c) Directorships held by the Board members in other companies as on March 31, 2026, are as follows:**

| Name of the Director        | Directorships in other listed companies | Directorship in No. of Companies (Including listed, unlisted and private limited companies) including Yuken India Limited and its Subsidiaries | Committee membership | Committee Chairmanship (Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted)) |
|-----------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Tadanori Okada          | -                                       | 1                                                                                                                                              | -                    | -                                                                                                                                  |
| Mr. Yoshitake Tanaka        | -                                       | 1                                                                                                                                              | -                    | -                                                                                                                                  |
| Mr. T Parabrahman           | -                                       | 3                                                                                                                                              | 2                    | 1                                                                                                                                  |
| Mr. K Chandrashekhar Sharma | 1. Birla Precision Technologies Limited | 6                                                                                                                                              | 3                    | 1                                                                                                                                  |
| Mrs. Indra Prem Menon       | -                                       | 15                                                                                                                                             | 2                    | -                                                                                                                                  |
| Mr. C P Rangachar           | -                                       | 14                                                                                                                                             | 2                    | -                                                                                                                                  |

**Other Disclosures:**

- The necessary disclosure regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a member of more than 10 Committees or Chairman of more than 5 Committees across all Indian Listed public limited Companies in which he/she is a director.
- As on March 31, 2026, none of the non-executive directors holds any equity share of the Company.
- None of the Directors of the Company are related to each other and with the employees of the Company.
- The Company has proper systems to enable the Board to periodically review compliance Reports of all laws applicable to the Company.
- None of the Non-executive Directors held convertible instruments of the Company during FY 2025-26.
- The profile of Directors can be accessed at <https://www.yukenindia.com/disclosure-under-Reg-46/>
- None of the Independent Directors on the Board is an Independent Director in more than seven listed Companies as required under Regulation 25 (1) of the Listing Regulations.
- The Secretarial Auditors have issued a Certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations stating that the Directors on the Board of the Company have not been debarred or disqualified from being appointed or continuing as Directors of the Company, by the Board/ Ministry of Corporate Affairs or any such statutory authority
- None of the Board Members have resigned before the expiry of the respective terms.
- familiarisation programmes imparted to independent directors is available at <https://www.yukenindia.com/disclosure-under-Reg-46/>

**d) Number of meetings of the board of directors held and dates on which held**

There were Eight Board Meetings held during the financial year 2025- 2026, the details of which are as follows:

|                |                    |
|----------------|--------------------|
| April 22, 2025 | August 13, 2025    |
| May 23, 2025   | September 10, 2025 |
| May 28, 2025   | November 13, 2025  |
| July 31, 2025  | February 13, 2026  |

### e) Core Competencies of the Board

| Name of Director            | Skill Set description              |                         |                                  |                               |            | Strategic Management |
|-----------------------------|------------------------------------|-------------------------|----------------------------------|-------------------------------|------------|----------------------|
|                             | Business Leadership and Operations | Technological expertise | Industry experience or knowledge | Financial and Risk Management | Governance |                      |
| Mr. Tadanori Okada          | E                                  | E                       | E                                | P                             | P          | E                    |
| Mr. Yoshitake Tanaka        | E                                  | E                       | E                                | P                             | P          | E                    |
| Mr. T Parabrahman           | E                                  | E                       | E                                | E                             | P          | E                    |
| Mr. K Chandrashekhar Sharma | E                                  | E                       | E                                | E                             | E          | E                    |
| Mrs. Indra Prem Menon       | E                                  | E                       | E                                | P                             | P          | E                    |
| Mr. C P Rangachar           | E                                  | E                       | E                                | E                             | P          | E                    |

E-Expert P-Proficient

### 3. FAMILIARISATION PROGRAMME FOR DIRECTORS INCLUDING INDEPENDENT DIRECTORS

In terms of the SEBI Listing Regulations, the Company has adopted a structured Familiarisation Programme for its Non-Executive Directors, including Independent Directors, aimed at enabling them to effectively discharge their roles and responsibilities.

The programme comprises comprehensive induction and ongoing familiarisation initiatives. At the time of appointment, Directors are provided with copies of all applicable codes, policies, and governance frameworks adopted by the Company. This is followed by an orientation covering the Company's business operations, product portfolio, markets, customers, and key functional areas, along with interactions with senior management personnel to provide deeper insights into organisational functioning. A detailed briefing is also provided on the roles, duties, rights, and responsibilities of Directors, including Independent Directors.

On an annual basis, the Board is updated on the industry structure, business model, shareholder profile, financial performance, and significant amendments in applicable laws and regulations. The Directors are also apprised of their evolving roles and responsibilities, as well as key regulatory changes impacting the functioning of Independent Directors.

The Familiarisation Programme, along with details of the training and orientation imparted to Directors, is hosted on the Company's website at <https://www.yukenindia.com/disclosure-under-Reg-46/> in compliance with regulatory requirements.

### 4. INDEPENDENT DIRECTORS

The Company has three Independent Directors as on March 31, 2026, including one Woman Independent Director and in the

opinion of the Board, all the Independent Directors satisfy the criteria of Independence as laid down in the Act and the Listing Regulations and are independent of the Management.

#### a) Appointment

The Policy adopted by the Board in the appointment of Independent Directors are:

- The appointment and tenure of Independent Directors is to be in line with the requirements of the Act and the Listing Regulations, and they must not have been disqualified from being appointed as Director.
- The Independent Director must meet the baseline definition and criteria on independence as set out in the Act and Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each in line with the requirements of the Act and are not to be on the Board of more than seven listed companies and if they are serving as a Whole-time Director in any listed Company, then it shall be restricted to three listed companies.
- At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors shall submit a self-declaration to the Board, confirming their independence and compliance with various eligibility criteria laid down by the Act, the Listing Regulations.

The Independent Directors have confirmed that:

- They meet the criteria of independence as specified in the Act and the Listing Regulations
- they are not aware of any circumstance or situation which exists or may be reasonably anticipated that





could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the management and hold highest standards of integrity and possess requisite expertise and experience required and are Independent as on April 1, 2026.

- they have complied with the Company's Code of Conduct and that they are registered on the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.
- as on April 1, 2026, they have not been debarred or disqualified from being appointed or continuing as Directors of the Company, by the Ministry of Corporate Affairs or any such statutory authority.
- they do not hold the position of Independent Director in more than seven listed Companies as required under Regulation 25 (1) of the Listing Regulations.

#### b) Meeting of Independent Directors

During the year, separate meeting of the Independent Directors was held on March 16, 2026. All Independent Directors attended the said meeting.

The following items were generally considered and reviewed by the Independent Directors:

- Review of performance of Executive Directors and Non- Executive and Non-Independent Director and the Board as a whole.
- Review of performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors
- The performance of the Company, Corporate Strategy, risks, competition, succession planning of the Board and the management.
- Assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### c) Formal letter of appointment to the Independent Directors

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as Directors of the Company. The terms and conditions of appointment of Independent Directors is available on the Company's website at <https://www.yukenindia.com/disclosure-under-Reg-46/>

## 5. BOARD COMMITTEES

### a) Audit Committee

The Audit Committee ("Committee") presently consists of three Independent Directors and Managing Director as follows:

| Name of the Director        | Designation          | Member/<br>Chairman |
|-----------------------------|----------------------|---------------------|
| Mr. T Parabrahman           | Independent Director | Chairman            |
| Mr. K Chandrashekhar Sharma | Independent Director | Member              |
| Mrs. Indra Prem Menon       | Independent Director | Member              |
| Mr. C P Rangachar           | Managing Director    | Member              |

The Company Secretary Mr. Suhas H M is the Secretary of the Audit Committee

The Committee met four times during the financial year 2025-2026 and the details of which are below.

|                 |                   |
|-----------------|-------------------|
| May 28, 2025    | November 13, 2025 |
| August 13, 2025 | February 13, 2026 |

- All meetings were duly attended by all members.
- The Chief Financial Officer attends Audit Committee meetings by invitation. The Statutory Auditors attends Audit Committee meetings as special invitees to provide comments and share concerns, if any, with the Audit committee. Recommendations made by the Audit Committee during the year were accepted by the Board.
- The constitution of the Committee meets with the requirements of section 177 of the Companies Act, 2013 along with Regulation 18 of SEBI Listing Regulations.
- All the current members of the Committee have relevant experience in financial matters
- The Audit Committee Chairman, Mr. T Parabrahman attended the 49<sup>th</sup> Annual General Meeting held on September 10, 2025.
- The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 and Part C of Schedule II of SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms may

be referred by the Board of Directors including the following:

Review of Management Discussion and Analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor.

Review inter alia related party transactions and the financial statements, minutes of Board meetings of the Company's unlisted Subsidiaries and all significant transactions and arrangements entered into by the said Subsidiary.

#### b) Nomination and Remuneration Committee

The present composition of Nomination and Remuneration committee is as follows:

| Name of the Director        | Designation          | Member/<br>Chairman |
|-----------------------------|----------------------|---------------------|
| Mr. T Parabrahman           | Independent Director | Chairman            |
| Mrs. Indra Prem Menon       | Independent Director | Member              |
| Mr. K Chandrashekhar Sharma | Independent Director | Member              |

The Company Secretary Mr. Suhas H M is the Secretary of the Nomination and Remuneration Committee

During the year two meetings of the Nomination and Remuneration committee were held on May 23, 2025 and July 31, 2025, and all the members were present.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 and Part D of the Schedule II of SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior

management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

#### c) Stakeholder's Relationship Committee

The Composition of Stakeholder's Relationship Committee as on March 31, 2026, is as follows:

| Name of the Director        | Designation          | Member/<br>Chairman |
|-----------------------------|----------------------|---------------------|
| Mr. K Chandrashekhar Sharma | Independent Director | Chairman            |
| Mrs. Indra Prem Menon       | Independent Director | Member              |
| Mr. C P Rangachar           | Managing Director    | Member              |

The Company Secretary Mr. Suhas H M is the Secretary of the stakeholder's relationship committee

During the year one meeting of stakeholder's relationship committee was held on February 13, 2026, and all the members were present. The Company has not received any complaint from shareholders during the fiscal 2026.

Role of the Stakeholders' Relationship Committee covers the areas as contemplated under Regulation 20 and Part D of the Schedule II of SEBI Listing Regulations.

#### d) Risk Management Committee

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is presently not mandatorily required to constitute a Risk Management Committee. However, the Company had constituted a Risk Management Committee during the financial year 2021, upon falling within the top 1000 listed entities, in compliance with the applicable regulatory requirements at that time.

The Composition of Risk Management Committee as on March 31, 2026, is as follows:

| Name of the Director        | Designation             | Member/<br>Chairman |
|-----------------------------|-------------------------|---------------------|
| Mr. K Chandrashekhar Sharma | Independent Director    | Chairman            |
| Mr. Venkatakishnan A        | Chief Executive Officer | Member              |
| Mr. C P Rangachar           | Managing Director       | Member              |

The Committee did not meet during the financial year 2025-26. The functions and responsibilities of the Risk



Management Committee were discharged by the Board of Directors during the year.

#### e) Corporate Social Responsibility Committee

The Composition of Corporate Social Responsibility Committee as on March 31, 2026, is as follows:

| Name of the Director        | Designation          | Member/<br>Chairman |
|-----------------------------|----------------------|---------------------|
| Mr. K Chandrashekhar Sharma | Independent Director | Chairman            |
| Mr. T Parabrahman           | Independent Director | Member              |
| Mr. C P Rangachar           | Managing Director    | Member              |

During the year one meeting was held on May 28, 2025, and all the members were present.

The role of the Corporate Social Responsibility (CSR) Committee encompasses the areas specified under Section 135 and Schedule VII of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the financial year, as the Company's CSR obligation did not exceed ₹50 lakhs, the requirement to constitute a CSR Committee was not applicable. Accordingly, the functions and responsibilities of the CSR Committee were discharged by the Board of Directors.

## 6. SENIOR MANAGEMENT

Our Senior Management team as of March 31, 2026, and the changes during the financial year in the senior management team are as below:

| Sl. No | Name                  | Designation                            |
|--------|-----------------------|----------------------------------------|
| 1      | Mr. K Gopalkrishna    | Executive Director – Customer Support  |
| 2      | Mr. H M Narasinga Rao | VP Finance & Chief Financial Officer   |
| 3      | Mr. Venkatakrishnan A | Chief Executive Officer                |
| 4      | Mr. Rakeshkumar       | Chief Operating Officer                |
| 5      | Mr. Arvind Mishra     | Head (Gear Pump Division)              |
| 6      | Mr. K G Ravi          | Vice president (Plant Automation)      |
| 7      | Mr. Suhas H M*        | Company Secretary & Compliance Officer |

| Sl. No | Name               | Designation           |
|--------|--------------------|-----------------------|
| 8      | Mr. K V Mahesh     | Head (Marketing)      |
| 9      | Mr. S Shekhar      | Head (Human Resource) |
| 10     | Mr. Nandakumar     | Head (Elements)       |
| 11     | Mr. Srinivas Patil | Head (System)         |

Changes during the Financial Year 2025-26

\*Mr. Suhas H M has been appointed as the Company Secretary & Compliance Officer of the Company with effect from July 31, 2025.

Ms. Suchithra R resigned from the position of Company Secretary and Compliance Officer of the Company with effect from June 16, 2025.

## 7. REMUNERATION OF DIRECTORS

There are no pecuniary relationships or transactions with the Non-Executive Directors, except for the payment of sitting fees for attending Board/Committee meetings. Pursuant to the approval of the shareholders obtained at the Annual General Meeting held on September 5, 2024, in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of the Companies Act, 2013, the Non-Executive Directors are also entitled to profit-linked commission, in addition to the sitting fees.

The sitting fees shall not exceed ₹30,000 per meeting of the Board or Committee thereof, or such amount as may be prescribed by the Central Government from time to time. The profit-linked commission is payable within the limits approved by the shareholders and in compliance with the provisions of Section 197 of the Companies Act, 2013.

#### a) Disclosures with respect to remuneration paid to Individual Directors:

**Details of the remuneration (Sitting fee including commission) paid to Non-executive Directors for the year ended March 31, 2026**

| Name of the Director       | Amount (In Lakhs) |
|----------------------------|-------------------|
| Mr. Tadanori Okada         | 6.00              |
| Mr. Yoshitake Tanaka       | 6.00              |
| Mr. K Chandrashekar Sharma | 8.10              |
| Mr. T Parabrahman          | 8.40              |
| Mrs. Indra Prem Menon      | 7.80              |

**Details of the remuneration paid to Executive Director (Mr. C P Rangachar - Managing Director) for the year ended March 31, 2026**

| Particulars                  | Amount (In Lakhs) |
|------------------------------|-------------------|
| Salary & perquisites         | 117.57            |
| Contribution to pension fund | 24.12             |
| Commission on net profit     | -                 |
| Service Contract/Tenure      | 5 Years           |
| Notice Period                | NA                |

The details of remuneration on a consolidated basis have been disclosed in note No.42 of the related party statement of the consolidated financial statement.

**b) Remuneration policy**

The remuneration, compensation, commission and other benefits payable to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel of Yuken India Limited shall be determined by the Nomination and Remuneration Committee and recommended to the Board of Directors for its approval. Such remuneration shall, wherever required, be subject to the approval of the shareholders of the Company.

The remuneration payable to the Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The Nomination and Remuneration Committee may recommend increments or revisions in the remuneration/ compensation structure to the Board, which shall be within the limits approved by the shareholders in the case of the Whole-time Director.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Financial Officer ("CFO"), Chief Executive Officer (CEO), Company Secretary ("CS") and other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to such personnel. However, if any such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**c) Remuneration to Whole-time Director, KMP and Senior Management Personnel**

If, in any fiscal year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to

its Whole-time Director in accordance with the provisions of Schedule V of the Act (in the form as stated under "remuneration" aforesaid) and if it is not able to comply with such provisions, with the approval of shareholders by special resolution.

**d) Provisions for excess Remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the shareholders, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by shareholders by special resolution within two years from the date the sum becomes refundable.

**e) Profit Linked Commission**

The profit-linked Commission or Incentive remuneration may be paid within the monetary limit approved by shareholders.

**f) Severance Fee**

In the event of determination of the contract by the company before the contract period, the Company shall pay executive director The profit-linked Commission or Incentive remuneration may be paid within the monetary limit approved by shareholders.

**g) Stock Options**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to stock options of the Company.

**8. RELATED PARTY TRANSACTION**

During the fiscal 2026, the Company had no materially significant Related Party Transactions, which is considered to have potential conflict with the interests of the Company at large.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is made available on the website of the Company at <https://www.yukenindia.com/disclosure-under-Reg-46/>

Details of transactions with related parties are provided in Annexure 2 of the Directors Report in Form AOC 2 and note No.42 to the Standalone Financial Statements of the Company.



## 9. GENERAL BODY MEETINGS

| Fiscal Ended | Date and time               | Venue                                                                                                  | Special Resolutions passed                                                                                                                                                                                                                                                                                                                    |
|--------------|-----------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024-25      | September 10, 2025 10:30 AM | The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM"). | <ol style="list-style-type: none"> <li>To re-appoint Mrs. Indra Prem Menon (DIN: 0012917), Non-Executive Women Independent Director of the Company</li> <li>To approve continuation of directorship of Mr. T Parabrahman (DIN: 01392252) as a Non-Executive Independent Director of the Company post attaining the age of 75 Years</li> </ol> |
| 2023-24      | September 05, 2024 10:30 AM | The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM"). | NA                                                                                                                                                                                                                                                                                                                                            |
| 2022-23      | September 14, 2023 10:30 am | The Meeting has been conducted through Video Conferencing ("VC") / Other Audio Visuals Means ("OAVM"). | NA                                                                                                                                                                                                                                                                                                                                            |

## 10. POSTAL BALLOT

During the financial year, the following resolutions were passed by the shareholders by the requisite majority by way of postal ballot through e-voting:

| Date of Postal Ballot Notice | Resolutions passed (Special Resolutions)                                                                                                                           | Total number of valid votes Polled | Votes cast in favour of the resolution | Votes Cast against the resolution | Approval Date | Scrutiniser            |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------|-----------------------------------|---------------|------------------------|
| May 28, 2025                 | To re-appoint Mr. C P Rangachar (DIN: 00310893) as the Managing Director of the company for a period of 5 (five) years with effect from 1 <sup>st</sup> May 2025.- | 73,81,572                          | 73,81,517 and 99.99%                   | 55 And 0.007%                     | June 27, 2025 | Abhishek Bharadwaj A B |
|                              | To create, offer, issue and allot equity shares on Preferential Basis                                                                                              | 16,65,972                          | 16,65,917 and 99.99%                   | 55 And 0.003%                     |               |                        |

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

## 11. MEANS OF COMMUNICATION

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

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



## 12. GENERAL SHAREHOLDER INFORMATION

| Sl. No      | Particulars                                                                                                                                                                                 | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|---------------|-------------|------|------|-------------|--------|------|------|-----------|-------|----------|-----|--------|--------|-------|--------|-------------|-----|
| 1           | Annual general meeting – date, time and venue;                                                                                                                                              | September 10, 2026<br>10:30 AM IST through Video Conferencing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 2           | Financial year;                                                                                                                                                                             | April 01, 2025, to March 31, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 3           | Dividend payment date                                                                                                                                                                       | Will be paid within 30 days of declaration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 4           | The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s); | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.<br>Scrip Code: 522108<br>National Stock Exchange of India Limited Exchange Plaza,<br>Plot no. C/1, G Block,<br>Bandra-Kurla Complex,<br>Bandra (E), Mumbai – 400051<br>NSE Script Code: YUKEN<br>Annual Listing fee has been paid to both the stock exchanges                                                                                                                                                                                                        |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 5           | In case the securities are suspended from trading, the directors report shall explain there as on thereof;                                                                                  | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 6           | Registrar to an issue and share transfer agents;                                                                                                                                            | KFin Technologies Limited<br>(Formerly known as KFin Technologies Private Limited), Unit: Yuken India Limited Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli,<br>Hyderabad - 500 032.<br>Phone: (040) 6716 1508/1592/1509<br>E Mail Id: <a href="mailto:Einward.ris@kfintech.com">Einward.ris@kfintech.com</a><br>Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> or <a href="https://ris.kfintech.com/">https://ris.kfintech.com/</a><br>Toll free No: - 1- 800-309-4001 & 1800 309 4001 |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 7           | Share transfer system;                                                                                                                                                                      | Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt.                                                                                                                                                                                                                                                                                                                                                                                                                        |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 8           | ISIN No.                                                                                                                                                                                    | INE384C01016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 9           | Dematerialization of shares and liquidity                                                                                                                                                   | <table><tr><th>Description</th><th>No. of Holders</th><th>No. of Shares</th><th>% of Equity</th></tr><tr><td>NSDL</td><td>4606</td><td>1,08,62,577</td><td>79.966</td></tr><tr><td>CDSL</td><td>6407</td><td>26,38,579</td><td>19.42</td></tr><tr><td>Physical</td><td>182</td><td>82,844</td><td>0.6099</td></tr><tr><td>TOTAL</td><td>11,195</td><td>1,35,84,000</td><td>100</td></tr></table>                                                                                                                                             | Description | No. of Holders | No. of Shares | % of Equity | NSDL | 4606 | 1,08,62,577 | 79.966 | CDSL | 6407 | 26,38,579 | 19.42 | Physical | 182 | 82,844 | 0.6099 | TOTAL | 11,195 | 1,35,84,000 | 100 |
| Description | No. of Holders                                                                                                                                                                              | No. of Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | % of Equity |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| NSDL        | 4606                                                                                                                                                                                        | 1,08,62,577                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 79.966      |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| CDSL        | 6407                                                                                                                                                                                        | 26,38,579                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 19.42       |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| Physical    | 182                                                                                                                                                                                         | 82,844                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.6099      |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| TOTAL       | 11,195                                                                                                                                                                                      | 1,35,84,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100         |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 10          | Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity                                                                                 | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |
| 11          | Commodity price risk or foreign exchange risk and hedging activities                                                                                                                        | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                |               |             |      |      |             |        |      |      |           |       |          |     |        |        |       |        |             |     |



| Sl. No                               | Particulars                                                                                                                                                                                                                                                                                               | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------|-------------|---------------------------|-------|-------------------|--------------------------------------|-------|--------------------------------|----------------------------|-------|----------|
| 12                                   | Plant locations                                                                                                                                                                                                                                                                                           | <p><b>Registered Office &amp; Factory (Bangalore):</b> No. 16/C, Doddanekundi Industrial Area, II Phase, Mahadevapura, Bangalore - 560048, Karnataka.</p> <p><b>Malur Plant (Kolar):</b> P.B. No. 5, Survey No. 11, 12, 17, 18, Malur-Hosur Road, Koppathimanahalli Village, H. Hoskote Gram Panchayat, Lakkur Hobli, Malur Taluk, Kolar District, Karnataka - 563130.</p> <p><b>Whitefield (Bangalore):</b> 16/C, Doddanekundi Industrial Area, Mahadevapura Post, Whitefield Road, Bangalore - 560048, Karnataka</p> <p><b>Location:</b> No. B-80, 2<sup>nd</sup> Cross, 1<sup>st</sup> Phase, Peenya Industrial Area, Bengaluru - 560058, Karnataka.</p> <p><b>Bahadurgarh Plant :</b> NO-10, Old Industrial Area, Near Civil Hospital, Bahadurgarh, Jhajjar District, Haryana – 124507, India.</p> |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| 13                                   | Address for correspondence                                                                                                                                                                                                                                                                                | <p><b>Malur Plant (Kolar):</b> P.B. No. 5, Survey No. 11, 12, 17, 18, Malur-Hosur Road, Koppathimanahalli Village, H. Hoskote Gram Panchayat, Lakkur Hobli, Malur Taluk, Kolar District, Karnataka - 563130.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| 14                                   | List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. | <table><tr><th>Facilities</th><th>Amount (Rs. In crores)</th><th>Ratings</th></tr><tr><td>Long Term Bank facilities</td><td>22.58</td><td>CARE BBB+; Stable</td></tr><tr><td>Long Term/short term bank facilities</td><td>86.50</td><td>CARE BBB+; Stable/<br/>CARE A3+</td></tr><tr><td>Short-term bank facilities</td><td>36.50</td><td>CARE A3+</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                   | Facilities | Amount (Rs. In crores) | Ratings     | Long Term Bank facilities | 22.58 | CARE BBB+; Stable | Long Term/short term bank facilities | 86.50 | CARE BBB+; Stable/<br>CARE A3+ | Short-term bank facilities | 36.50 | CARE A3+ |
| Facilities                           | Amount (Rs. In crores)                                                                                                                                                                                                                                                                                    | Ratings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| Long Term Bank facilities            | 22.58                                                                                                                                                                                                                                                                                                     | CARE BBB+; Stable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| Long Term/short term bank facilities | 86.50                                                                                                                                                                                                                                                                                                     | CARE BBB+; Stable/<br>CARE A3+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| Short-term bank facilities           | 36.50                                                                                                                                                                                                                                                                                                     | CARE A3+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| 15                                   | Distribution of shareholding as of March 31, 2026                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |                        |             |                           |       |                   |                                      |       |                                |                            |       |          |
| Sl.No                                | Description                                                                                                                                                                                                                                                                                               | No. of Cases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | % of Cases | Amount                 | % of Amount |                           |       |                   |                                      |       |                                |                            |       |          |
| 1                                    | 1-5000                                                                                                                                                                                                                                                                                                    | 9891                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 90.5686    | 8572970                | 6.3111      |                           |       |                   |                                      |       |                                |                            |       |          |
| 2                                    | 5001- 10000                                                                                                                                                                                                                                                                                               | 453                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4.148      | 3444200                | 2.5355      |                           |       |                   |                                      |       |                                |                            |       |          |
| 3                                    | 10001- 20000                                                                                                                                                                                                                                                                                              | 277                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.5364     | 4048390                | 2.9803      |                           |       |                   |                                      |       |                                |                            |       |          |
| 4                                    | 20001- 30000                                                                                                                                                                                                                                                                                              | 102                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0.934      | 2517720                | 1.8534      |                           |       |                   |                                      |       |                                |                            |       |          |
| 5                                    | 30001- 40000                                                                                                                                                                                                                                                                                              | 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.5128     | 1973100                | 1.4525      |                           |       |                   |                                      |       |                                |                            |       |          |
| 6                                    | 40001- 50000                                                                                                                                                                                                                                                                                              | 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.2106     | 1076690                | 0.7926      |                           |       |                   |                                      |       |                                |                            |       |          |
| 7                                    | 50001- 100000                                                                                                                                                                                                                                                                                             | 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.5128     | 4020040                | 2.9594      |                           |       |                   |                                      |       |                                |                            |       |          |
| 8                                    | 100001& Above                                                                                                                                                                                                                                                                                             | 63                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.5769     | 110186890              | 81.1152     |                           |       |                   |                                      |       |                                |                            |       |          |
|                                      | Total                                                                                                                                                                                                                                                                                                     | 10921                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100.0001   | 135840000              | 100         |                           |       |                   |                                      |       |                                |                            |       |          |

### Shareholding Pattern as on March 31, 2026

| Category of Shareholder                                                | Number of Shares | % of Shares |
|------------------------------------------------------------------------|------------------|-------------|
| <b>Promoter and Promoter Group</b>                                     | 78,84,608        | 58.04       |
| <b>Public Shareholding</b>                                             |                  |             |
| Mutual Funds                                                           | 72,479           | 0.53        |
| Alternate Investment Fund                                              | 92,321           | 0.68        |
| Foreign Portfolio Investors                                            | 9,388            | 0.07        |
| Key Managerial Personnel                                               | 1,800            | 0.01        |
| Resident Individuals holding shares up to nominal value of Rs. 2 Lakhs | 24,75,381        | 18.22       |

| Category of Shareholder                                                    | Number of Shares | % of Shares |
|----------------------------------------------------------------------------|------------------|-------------|
| Resident Individuals holding shares in excess nominal value of Rs. 2 Lakhs | 18,02,687        | 13.27       |
| NRI's                                                                      | 91,452           | 0.67        |
| Body Corporates                                                            | 7,69,780         | 5.67        |
| IEPF                                                                       | 96,121           | 0.71        |
| Others                                                                     | 2,87,983         | 2.12        |

### 13. OTHER DISCLOSURES

#### a) **Materially significant related party transactions**

There have been no materially significant related party transactions that may have potential conflict with the interests of the listed entity at large.

#### b) **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s), SEBI or any other statutory authority.**

| Particulars                                                                                                                                                       | Authority                                | Amount in ₹ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------|
| Delay in filing application for trading approval to the stock exchange/s within 7 working days from the date of grant of listing approval by the stock exchange/s | National Stock Exchange of India Limited | 1,40,000    |

#### c) **Whistle Blower Policy / Vigil Mechanism and Affirmation that no personnel has been denied access to the Audit Committee.**

The Company is committed to ethical and lawful business conduct which is not only essential to the Company's success, but also a fundamental shared value of its Board of Directors (the "Board"), senior management personnel and employees. Consistent with these principles, the Board has adopted a Code of Business conduct and Ethics (the "Code") as a guide to the principles and standards that should govern the actions of its Board and senior management personnel.

Any actual or potential violation of the Code or any deviation from the key company policies howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be reported appropriately for remedial/penal action. To enable Reporting (Whistle blower) of actual or potential violation of the Code or any deviation from the key company policies, a fair and proactive mechanism is imperative fortified by an appropriate protection policy. This Whistle Blower Policy and Vigil Mechanism ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors/Employees of the Company to approach the Chairperson of the Audit Committee of the Company or Chairman of the Company.

Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through this Whistle Blower Policy to provide for adequate safeguards to the whistle blowers against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in terms of Regulation 22 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013. During the year under review, no personnel was denied access to the Audit Committee. The above policy is available on our website at <https://www.yukenindia.com/disclosure-under-Reg-46/>

#### d) **CEO / CFO Certification**

As required by the Listing Regulations, the Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial Reporting purpose as required under the Listing Regulations, for the year ended March 31, 2026. The said certificate forms part of this report.

#### e) **Web link where policy for determining 'material' subsidiaries is disclosed;**

The policy for determining material subsidiaries has been disclosed on website of the company at <https://www.yukenindia.com/disclosure-under-Reg-46/>



**f) Web link where policy on dealing with related party transactions**

The policy for dealing with related party transactions has been disclosed on website of the company at <https://www.yukenindia.com/disclosure-under-Reg-46/>

**g) Disclosure of commodity price risks and commodity hedging activities**

The Company is not exposed to any significant commodity price risks and has not undertaken any commodity hedging activities during the financial year.

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

During the financial year, the Company raised ₹5,991.84 lakhs through the preferential allotment of 5,84,000 equity shares of face value ₹10 each at a premium of ₹1,016 per share to Yuken Kogyo Co Ltd., Japan, a Promoters of the Company.

**j) Payment to Statutory Auditors**

| Particulars                                                                              | FY 2025-26<br>(INR) | FY 2024-25<br>(INR) |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| Audited Financials (including audit of consolidated financial statements and Subsidiary) | 28,00,000           | 23,50,000           |
| Group Reporting                                                                          | 4,50,000            | 4,00,000            |
| Limited Review (Quarterly financial results including consolidated financial results)    | 15,00,000           | 12,00,000           |
| Corporate Governance Report                                                              | 50,000              | 50,000              |
| Tax Audit                                                                                | 2,00,000            | 2,00,000            |
| <b>Total</b>                                                                             | <b>50,00,000</b>    | <b>42,00,000</b>    |

**k) Disclosure in relation to the Sexual Harassment**

The details relating to complaints filed, disposed of and pending during the financial year pertaining to sexual harassment of Women in the Workplace are as under:

|                                                           |   |
|-----------------------------------------------------------|---|
| No. of complaints filed during the Financial Year         | 0 |
| No. of complaints disposed of during the Financial Year   | 0 |
| No. of complaints pending as on end of the financial year | 0 |

The funds proceeds from the preferential issue are being utilized in accordance with the objects stated in the offer document. The funds are primarily intended for expansion of the Company's business operations and commencement of manufacturing of new products for export to Yuken Group Companies and other customers. There has been no deviation or variation in the utilisation of the proceeds from the stated objects of the issue.

**i) Compliance certificates from Practicing Company Secretary**

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate certificate from

M/s V Sreedharan & Associates, Bengaluru, confirming 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 Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this report

**l) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

The Company has not granted any loans or advances in the nature of loans to firms or companies in which directors are interested. However, the Company has provided corporate guarantees to its subsidiaries and joint ventures in the ordinary course of business

**m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

The details of material subsidiaries, including their date and place of incorporation and particulars of statutory auditors, are provided in Annexure 2 (Form AOC-2) forming part of this Report.

**n) Discretionary requirements as specified in Part E of Schedule II have been adopted.**

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his/ her duties- no expenses have been reimbursed to the Non-Executive Chairperson during the financial year.

**o) Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46**

The Company has complied with all applicable corporate governance requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

A certificate confirming such compliance, issued by the Statutory Auditors of the Company, forms part of this Annual Report.

**p) Disclosures with respect to demat suspense account/ unclaimed suspense account**

| Particulars                                                                                                             | Details |
|-------------------------------------------------------------------------------------------------------------------------|---------|
| aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | 0       |
| number of shareholders who approached listed entity for transfer of shares from suspense account during the year;       | 0       |
| number of shareholders to whom shares were transferred from suspense account during the year;                           | 2,200   |
| aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;       | 2,200   |
| voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.             | Yes     |

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

Date: May 26, 2026  
Place: Bengaluru, KA

**Tadanori Okada**  
Chairman of the Board  
DIN: 10727075

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





## Annexure-08

## Form No. MR-3

### Secretarial Audit Report

**[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**For the Financial Year Ended March 31, 2026**

To,

The Members of

**Yuken India Limited**

No. 16-C, Doddanekundi Industrial Area II phase

Mahadevapura

Bengaluru -560048

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Yuken India Limited** ("the Company"). (**CIN L29150KA1976PLC003017**), Secretarial Audit was conducted in a manner that provided us with 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 March 31, 2026 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and there was no Overseas Direct Investment and External Commercial Borrowing by the Company during the period under review.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **(Not Applicable to the Company during the Audit Period).**
  - f. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period).**
  - g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**
  - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (upto 14<sup>th</sup> December, 2025) and the Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 (from 15<sup>th</sup> December, 2025) regarding the Companies Act and dealing with client;
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**

- vi. Other laws informed by the Management of the Company, as applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on meetings of the Board of Directors and general meetings.
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc except the following:

- a. The newspaper advertisement published in the principal vernacular newspaper relating to dispatch of Notice of Postal ballot notice dated May 28, 2025 was in English language whereas the provisions of sub rule 3 of Rule 22 of the Companies (Management and Administration) Rules, 2014 inter alia says that "Advertisement shall be published atleast once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the Company situated".
- b. The notice of the Annual General Meeting was approved by the Board of Directors at its meeting held on May 28, 2025. Subsequently, an addendum to the said Notice was approved by way of resolution passed by circulation September 01, 2025. However, the AGM held on September 10, 2025 and the said addendum to the Notice was dispatched to the members without providing the clear twenty-one days' notice as per Section 101 of the Companies Act, 2013.
- c. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019, the Company was required to file the trading approval application with the Stock Exchange(s) within 7 working days from the date of receipt of listing approval from the Stock Exchange(s). The listing approval in relation to the preferential allotment was received on September 22, 2025; however, the Company filed the trading approval application on October 13, 2025, resulting in a delay of 7 working days. Consequently, NSE Limited levied a fine of Rs. 1,40,000/- (Rupees One Lakh Forty Thousand only), excluding applicable taxes, which was duly remitted by the Company on October 15, 2025.

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 as per the requirements of the statute and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that based on the review of the compliance reports/certificates of the Company Secretary which were taken on record by the Board of Directors, 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 following event was having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

The Board of Directors, at its meeting held on July 31, 2025, approved the allotment of 5,84,000 (Five Lakh Eighty-Four Thousand) equity shares of face value Rs.10/- each to Yuken Kogyo Company Limited, Japan, on a preferential basis, at an issue price of Rs.1,026/- per equity share (including a premium of Rs.1,016/- per equity share), aggregating to Rs.59,91,84,000/- (Rupees Fifty-Nine Crore Ninety-One Lakh Eighty-Four Thousand only).

#### **For V SREEDHARAN & ASSOCIATES**

Company Secretaries

**(Pradeep B Kulkarni)**

Partner

FCS: 7260; CP No. 7835

UDIN: F007260H000485628

Peer Review Certificate No. 5543/2024

Place: Bengaluru

Date: May 26, 2026

This report is to be read with our letter of even date which is annexed as 'Annexure -1' and forms an integral part of this report.



## Annexure-1

To,  
The Members of  
**Yuken India Limited**  
No. 16-C, Doddanekundi Industrial Area II phase  
Mahadevapura  
Bengaluru -560048

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

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

### **V SREEDHARAN & ASSOCIATES**

Company Secretaries

**(Pradeep B Kulkarni)**

Partner

FCS: 7260; CP No. 7835

UDIN: F007260H000485628

Peer Review Certificate No. 5543/2024

Date: May 26, 2026

Place: Bengaluru

## Form No. MR-3 Secretarial Audit Report

For the Financial Year Ended March 31, 2026

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2026** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under **[Not Applicable]**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **[Not Applicable]**;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable]**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **[Not Applicable]**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **[Not Applicable]**;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable]**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28<sup>th</sup> October 2014); **[Not Applicable]**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable]**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable]**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable]**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable]**;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,



2015 [To the extent Applicable to a material subsidiary as defined in Regulation 16 (1) (c) of the said Regulations].

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

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

- Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> October, 2017 (Revised versions).
- The Listing Agreements entered into by the Company **[Not Applicable];**

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. During the period under review there were no changes in the composition of the Board of directors.

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

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

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

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

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

#### For AAA & Co

Company Secretaries

#### Abhishek Bharadwaj A B

Practicing Company Secretary

FCS No: 8908

C P No.: 13649

Date: 18.05.2026

Place: Mysuru

UDIN: F008908H000358961

Date: 18.05.2026

Place: Mysuru

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



## Annexure-1

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

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

### Management's Responsibility

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

### Auditor's Responsibility

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

### Disclaimers

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

Signature:

**Name of Company Secretary in Practice: Abhishek Bharadwaj A B**

FCS No.: 8908

C P No.: 13649

Date: 18.05.2026

Place: Mysuru



## Form No. MR-3

### Secretarial Audit Report

For the Financial Year Ended March 31, 2026

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

To,

The Members,

**CORETEC ENGINEERING INDIA PRIVATE LIMITED**

B-59, DYAVASANDRA INDUSTRIAL ESTATE,

MAHADEVAPURA, WHITEFIELD ROAD, BANGALORE, KA 560048

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2026 according to the provisions of:

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

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

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

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

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

- Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1<sup>st</sup> October, 2017 (Revised versions).
- The Listing Agreements entered into by the Company [Not Applicable];

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. During the period under review there were no changes in the composition of the Board of directors.

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

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

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

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

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

For AAA & Co  
Company Secretaries

**Abhishek Bharadwaj A B**

Practicing Company Secretary

FCS No: 8908

C P No.: 13649

UDIN: F008908H000358939

Place: Mysuru

Date: 18-05-2026

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



## Annexure-1

To,

The Members,

**CORETEC ENGINEERING INDIA PRIVATE LIMITED**

B-59, DYAVASANDRA INDUSTRIAL ESTATE,

MAHADEVAPURA, WHITEFIELD ROAD, BANGALORE, KA 560048

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

### Management's Responsibility

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

### Auditor's Responsibility

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

### Disclaimers

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

Signature:

**Name of Company Secretary in Practice: Abhishek Bharadwaj A B**

FCS No.: 8908

C P No.: 13649

Date: 18-05-2026

Place: Mysuru

## Corporate Governance Compliance Certificate

Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI Listing Regulations, 2015

### Independent Auditor's Certificate on Corporate Governance

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 May 2026.
2. We have examined the compliance of conditions of corporate governance by Yuken India Limited ('the Company') for the year ended on 31 March 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management's Responsibility

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

### Auditor's Responsibility

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

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2026.

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

Sd/-  
**Lokesh Khemka**  
Partner

Membership No.: 067878  
UDIN: 26067878XIANKJ9067

Bengaluru, KA  
26 May 2026





## CEO Certificate

### [Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Rakesh Kumar A, Chief Executive Officer of Yuken India Limited, hereby certify that:

1. I have reviewed the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and the Company's Code of Conduct applicable to Directors and Senior Management Personnel.
2. I confirm that the Company has, during the financial year ended March 31, 2026, complied with the provisions of the LODR Regulations and the Code of Conduct, except for instances, if any, which have been duly reported to the Board/Audit Committee and appropriately disclosed in accordance with applicable regulatory requirements.
3. I further confirm that I have not been aware of any violation of the Code of Conduct by the Directors or Senior Management Personnel of the Company, except those specifically disclosed to the Board.
4. I also certify that the Company has complied with all applicable requirements under SEBI (LODR) Regulations, 2015, to the extent applicable to the Company, and has maintained necessary systems and procedures to ensure such compliance.

This certificate is issued in compliance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Yuken India Limited

Sd/-

**Rakesh Kumar A**

Chief Executive Officer

May 26, 2026.

## Compliance Certificate

**[See Regulation 17(8) and Regulation 62D(14) of SEBI (LODR) Regulations, 2015]**

We, the undersigned, being the Chief Executive Officer and Chief Financial Officer of Yuken India Limited, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2026, and 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; and
  2. these statements together present a true and fair view of the affairs of the Company and are in compliance with applicable 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 year 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 have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee any deficiencies in the design or operation of such internal controls, if any, of which we are aware, along with the steps taken or proposed to be taken to rectify such deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;-Nil
  2. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and-Nil
  3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting. -Nil

This certificate is issued for compliance with the requirements of Regulation 17(8) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Yuken India Limited

Sd/-

**H M Narasinga Rao**

VP Finance & Chief Financial Officer

Sd/-

**Rakesh Kumar A**

Chief Executive Officer



## 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,

**Yuken India Limited**

No. 16-C, Doddanekundi Industrial Area II phase

Mahadevapura, Bangalore

Bangalore, Karnataka-560048

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Yuken India Limited**, having **CIN: L29150KA1976PLC003017** and having registered office at No. 16-C, Doddanekundi Industrial Area II Phase, Mahadevapura, Bangalore, India, 560048 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

### Details of Directors:

| Sl. No. | Name of Director                          | Designation                                           | DIN      | Date of appointment in Company |
|---------|-------------------------------------------|-------------------------------------------------------|----------|--------------------------------|
| 1.      | Mr. Tadanori Okada                        | Non-Executive - Non-Independent Director, Chairperson | 10727075 | 07/08/2024                     |
| 2.      | Mr. Rangachar Padmanabhan Cattan Coletore | Managing Director                                     | 00310893 | 01/05/1978                     |
| 3.      | Mrs. Indra Prem Menon                     | Non-Executive - Independent Director                  | 00121917 | 24/09/2020                     |
| 4.      | Mr. Yoshitake Tanaka                      | Non-Executive-Non-                                    |          |                                |
| 5.      | Mr. Tadimalla Parabrahman                 | Non-Executive - Independent Director                  | 01392252 | 14/09/2023                     |
| 6.      | Mr. Kaleginanaoor Chandrashekhar Sharma   | Non-Executive - Independent Director                  | 09505130 | 14/09/2023                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### For V. SREEDHARAN & ASSOCIATES

Company Secretaries

Sd/-

**(Pradeep B Kulkarni)**

Partner

FCS: 7260; CP No. 7835

UDIN: F007260H000485738

Peer Review Certificate No. 5543/2024

May 26, 2026

Place: Bengaluru

# Independent Auditor's Report

To  
The Members of  
**Yuken India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Yuken India Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and 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.

### Key Audit Matters

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

5. We have determined the matters 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment assessment of Investment in, advances given to and receivables from certain subsidiaries</b><br>Refer to the material accounting policies in Note 2(l) and related disclosure in Note 6,9 and 11 of the standalone financial statements.<br><br>As at 31 March 2026, the Company has investment of Rs. 666.03 lakhs, advance of Rs. 3,050.53 lakhs and receivable balances of Rs. 498.94 lakhs from its wholly subsidiary company, Coretec Engineering India Private Limited and subsidiary Company, Kolben Hydraulics Limited. | Our audit procedures included, but were not limited to, the following: <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the management's process for identification of impairment indicators for investments, advances and receivables and impairment testing in accordance with Ind AS 36 and Ind AS 109, as applicable;</li> <li>▪ Evaluated the design and tested the operating effectiveness of key controls in relation to impairment assessment;</li> <li>▪ Assessed the professional competence, capabilities and objectivity of the valuation expert used by the management to determine the recoverable amounts and verified overall mathematical accuracy of underlying calculations;</li> </ul> |



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>At each period end, the management reviews whether any impairment indicators exist in the carrying amounts of investments, advances and receivables, in accordance with the requirements of Ind AS 36, "Impairment of Assets" (Ind AS 36), and Ind AS 109, "Financial instruments" (Ind AS 109), as applicable. The aforesaid subsidiaries have incurred losses in current year and have net current liabilities positions as at 31 March 2026, resulting in possible impairment indicators.</p> <p>Accordingly, the management has carried out an impairment test by determining recoverable amount of aforesaid balances from such subsidiaries using the Discounted Cash Flow ("DCF") valuation model, which requires significant estimation and judgement around assumptions used such as cash flow projections based on business plans of the subsidiary companies, expected growth rates in the business and discount rates, etc.</p> <p>The management has concluded that the recoverable amount of the aforesaid investments, advances and receivables is higher than its carrying amount. Accordingly, no impairment provision has been recorded as of 31 March 2026.</p> <p>Considering the materiality of the amounts involved and the significant degree of judgement and subjectivity in estimates and key assumptions used in determining the cash flows used in impairment test, impairment of investments in, advances given to and receivables from certain subsidiaries is considered to be a key audit matter for current year audit.</p> | <ul style="list-style-type: none"> <li>▪ Involved auditor's valuation experts to assess the appropriateness of valuation methodology and reasonableness of key assumptions used by the management's expert to determine recoverable amount;</li> <li>▪ Performed a retrospective analysis to assess the reasonableness of Company's projections by comparing historical forecast to actual results;</li> <li>▪ Evaluated and challenged the assumptions used management's expert by comparing the inputs with externally available data, consistency with Board approved forecasts and our knowledge of the industry;</li> <li>▪ Performed independent sensitivity analysis on the key assumptions to determine estimation uncertainty involved and impact on conclusions drawn; and</li> <li>▪ Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements in accordance with applicable accounting standards.</li> </ul> |
| <p><b>Revenue Recognition</b></p> <p>Refer to the material accounting policies in Note 2(i) and related disclosure in Note 23 of the standalone financial statements.</p> <p>Revenue from the sale of goods are recognized at a point in time upon transfer of control of promised products to the customers in accordance with the terms of contracts with the customers. Revenue towards a performance obligation is measured at the amount of transaction price allocated to that performance obligation and is accounted for net of rebates or discounts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ Understood the process of revenue recognition and assessed the appropriateness of the accounting policy for revenue recognition in accordance with Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115')</li> <li>▪ Evaluated the design and tested the operating effectiveness of key controls (including the automated controls) around revenue recognition;</li> <li>▪ Performed substantive testing by selecting samples of revenue transactions recorded during the year, including specific period before and after the year end. For such samples, verified the underlying supporting documents such as invoices, goods dispatch notes, shipping documents, sales Orders etc. to ensure correct amount of revenue is recognition in the correct period;</li> </ul>                                                           |



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Owing to the Company's high volume of sales transactions and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence, requiring significant auditor attention.</p> <p>Revenue is one of the key performance indicators of the Company and external stakeholders which makes it susceptible to fraud risk and misstatement and thus timing of revenue recognition is relevant as there is a risk of revenue being recognized without transfer of control</p> <p>Considering the varied terms of contracts with customers, significance of the amount involved and significant attention required by the auditor as mentioned above, revenue recognition is considered to be a key audit matter for the current year audit</p> | <ul style="list-style-type: none"> <li>Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> <li>Performed analytical procedures on current year revenue which included product analysis, customer analysis, etc. to identify any unusual variances / relationships, if any;</li> <li>Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; and</li> <li>Evaluated the appropriateness and adequacy of the related disclosures included in standalone financial statements in accordance with applicable accounting standards.</li> </ul> |

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

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

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

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

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial

performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud



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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure II, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

- b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3) (b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company, as detailed in Note 34(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;
    - 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 2026;
    - 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 2026;
  - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 47(1) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 47(2) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The final dividend paid by the Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 15(c) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.



- vi. As stated in Note 48 to the standalone financial statements and based on our examination which included test checks, except for the matters mentioned below, the Company, in respect of financial year commencing on 1 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 26067878XRHLNA2446

Place: Bengaluru

Date: 26 May 2026

## Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Yuken India Limited on the standalone financial statements for the year ended 31 March 2026

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified once in every 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 the programme all property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land and building situated at Malur, Whitefield and Penya with gross carrying values of Rs. 9618.88 lakh as at 31 March 2026, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt inventory records.
- (b) As disclosed in Note 17 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following:

(Amount in ₹ Lakhs)

| Name of Bank | Working Capital Limit sanctioned | Nature of current assets offered as security | Quarter   | Current Asset Type | Information disclosed as per statement | Information as per books of accounts | Difference |
|--------------|----------------------------------|----------------------------------------------|-----------|--------------------|----------------------------------------|--------------------------------------|------------|
| HDFC Bank    | 1,200                            | Stock and Trade Receivable                   | Quarter 1 | Stock              | 6,046.44                               | 6,144.37                             | 97.93      |
| SBI Bank     | 500                              | Stock and Trade Receivable                   | Quarter 1 | Stock              | 6,046.44                               | 6,144.37                             | 97.93      |
| HDFC Bank    | 1,200                            | Stock and Trade Receivable                   | Quarter 2 | Stock              | 6,637.00                               | 6,654.37                             | 17.37      |
| SBI Bank     | 500                              | Stock and Trade Receivable                   | Quarter 2 | Stock              | 6,637.00                               | 6,654.37                             | 17.37      |





(iii) The Company has not made investments in, or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has provided guarantee to companies during the year, in respect of which:

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

| Particulars                                                         | Guarantees | Security | Loans | Advances in the nature of loans |
|---------------------------------------------------------------------|------------|----------|-------|---------------------------------|
| Aggregate amount provided / granted during the year (Rs. in Lakhs): |            |          |       |                                 |
| - Subsidiaries                                                      | -          | -        | -     | -                               |
| - Associates                                                        | 240.00     | -        | -     | -                               |
| Balance outstanding as at balance sheet date (Rs. in Lakhs):        |            |          |       |                                 |
| - Subsidiaries                                                      | 5,650.00   | -        | -     | -                               |
| - Associates                                                        | 1,690.00   | -        | -     | -                               |

(b) In our opinion, and according to the information and explanations given to us, guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

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

- (Viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.



- (a) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC .
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 26067878XRHLNA2446

Place: Bengaluru

Date: 26 May 2026

## **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 2026**

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 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

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

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

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



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

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

### Opinion

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

statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note .

#### For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 26067878XRHLNA2446

Place: Bengaluru

Date: 26 May 2026

# Standalone Balance Sheet

as at March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                                | Note No. | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                              |          |                         |                         |
| <b>Non-current assets</b>                                                                  |          |                         |                         |
| Property, plant and equipment                                                              | 3        | 20,683.47               | 17,214.85               |
| Right-of-use assets                                                                        | 5        | 661.45                  | 623.66                  |
| Investment Property                                                                        | 3B       | 825.08                  | 854.62                  |
| Capital work in progress                                                                   | 3A       | 2,936.61                | 511.88                  |
| Other intangible assets                                                                    | 4        | 188.05                  | 251.32                  |
| Financial assets:                                                                          |          |                         |                         |
| (i) Investments                                                                            | 6        | 1,211.41                | 1,211.41                |
| (ii) Loans                                                                                 | 7        | 17.22                   | 20.65                   |
| (iii) Other financial assets                                                               | 8        | 98.83                   | 7.70                    |
| Other non-current assets                                                                   | 9        | 1,301.41                | 1,074.87                |
| Non Current tax assets                                                                     | 14       | 305.95                  | 281.40                  |
|                                                                                            |          | <b>28,229.48</b>        | <b>22,052.36</b>        |
| <b>Current assets</b>                                                                      |          |                         |                         |
| Inventories                                                                                | 10       | 8,655.72                | 6,113.72                |
| Financial assets:                                                                          |          |                         |                         |
| (i) Trade receivables                                                                      | 11       | 11,132.59               | 11,431.29               |
| (ii) Cash and cash equivalents                                                             | 12       | 2,153.98                | 149.39                  |
| (iii) Bank balances other than cash and cash equivalents                                   | 13       | 35.57                   | 50.56                   |
| (iv) Loans                                                                                 | 7        | 29.82                   | 39.99                   |
| (v) Other financial assets                                                                 | 8        | 118.39                  | 158.53                  |
| Other current assets                                                                       | 9        | 4,846.82                | 4,311.32                |
|                                                                                            |          | <b>26,972.89</b>        | <b>22,254.80</b>        |
| <b>TOTAL ASSETS</b>                                                                        |          | <b>55,202.37</b>        | <b>44,307.16</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                         |                         |
| <b>Equity</b>                                                                              |          |                         |                         |
| Equity share capital                                                                       | 15       | 1,358.40                | 1,300.00                |
| Other equity                                                                               | 16       | 34,344.76               | 27,324.96               |
|                                                                                            |          | <b>35,703.16</b>        | <b>28,624.96</b>        |
| <b>LIABILITIES</b>                                                                         |          |                         |                         |
| <b>Non-current liabilities</b>                                                             |          |                         |                         |
| Financial liabilities:                                                                     |          |                         |                         |
| (i) Borrowings                                                                             | 17       | 2,250.17                | -                       |
| (ii) Lease liabilities                                                                     | 18       | 181.73                  | 153.01                  |
| (iii) Other financial liabilities                                                          | 19       | 8.60                    | 7.41                    |
| Provisions                                                                                 | 20       | 332.25                  | 238.44                  |
| Deferred tax liabilities (net)                                                             | 38       | 925.19                  | 751.00                  |
|                                                                                            |          | <b>3,697.94</b>         | <b>1,149.86</b>         |
| <b>Current liabilities</b>                                                                 |          |                         |                         |
| Financial liabilities:                                                                     |          |                         |                         |
| (i) Borrowings                                                                             | 17       | 5,364.42                | 6,419.06                |
| (ii) Lease liabilities                                                                     | 18       | 92.72                   | 84.32                   |
| (iii) Trade payables                                                                       | 21       |                         |                         |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |          | 1,730.46                | 1,072.88                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 3,279.27                | 1,994.77                |
| (iv) Other financial liabilities                                                           | 19       | 4,373.11                | 4,086.72                |
| Provisions                                                                                 | 20       | 405.12                  | 382.92                  |
| Other current liabilities                                                                  | 22       | 556.17                  | 491.67                  |
|                                                                                            |          | <b>15,801.27</b>        | <b>14,532.34</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |          | <b>55,202.37</b>        | <b>44,307.16</b>        |
| Summary of material accounting policies and other material information                     | 2        |                         |                         |

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

As per our report of even date attached

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

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer

Bengaluru

May 26, 2026





## Standalone Statement of Profit and Loss for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                             | Note No. | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------------------------------------|----------|------------------------------|------------------------------|
| <b>Income</b>                                                           |          |                              |                              |
| Revenue from operations                                                 | 23       | 39,729.17                    | 39,246.34                    |
| Other income                                                            | 24       | 522.44                       | 446.69                       |
| <b>Total revenue</b>                                                    |          | <b>40,251.61</b>             | <b>39,693.03</b>             |
| <b>Expenses</b>                                                         |          |                              |                              |
| Cost of materials consumed                                              | 25       | 20,412.12                    | 19,576.83                    |
| Purchases of stock-in-trade                                             | 26       | 1,740.53                     | 2,004.05                     |
| Changes in stock of finished goods, work-in-progress and stock-in-trade | 27       | (503.31)                     | 221.19                       |
| Employee benefits expense                                               | 28       | 5,313.19                     | 5,124.53                     |
| Finance costs                                                           | 29       | 639.62                       | 711.43                       |
| Depreciation and amortisation expense                                   | 30       | 1,419.37                     | 1,246.65                     |
| Other expenses                                                          | 31       | 9,411.00                     | 9,011.45                     |
| <b>Total expenses</b>                                                   |          | <b>38,432.52</b>             | <b>37,896.13</b>             |
| <b>Profit before tax</b>                                                |          | <b>1,819.09</b>              | <b>1,796.90</b>              |
| <b>Tax expense/(benefit)</b>                                            | 38       |                              |                              |
| (a) Current tax                                                         |          | 226.34                       | 117.94                       |
| (b) Current tax of earlier years                                        |          | 67.64                        | 316.95                       |
| (c) Deferred tax charge                                                 |          | 231.69                       | 300.48                       |
| (d) Deferred tax income for earlier years                               |          | (42.20)                      | (322.47)                     |
| <b>Total tax expense</b>                                                |          | <b>483.47</b>                | <b>412.90</b>                |
| <b>Profit for the year</b>                                              |          | <b>1,335.62</b>              | <b>1,384.00</b>              |
| <b>Other comprehensive income/(loss)</b>                                |          |                              |                              |
| <b>Items that will not be reclassified to profit / (loss)</b>           |          |                              |                              |
| Remeasurement losses on defined benefit plan                            |          | (60.80)                      | (108.32)                     |
| Income tax effect on above item                                         |          | 15.30                        | 13.93                        |
| <b>Other comprehensive loss net of tax</b>                              |          | <b>(45.50)</b>               | <b>(94.39)</b>               |
| <b>Total comprehensive income for the year</b>                          |          | <b>1,290.12</b>              | <b>1,289.61</b>              |
| <b>Earnings per equity share (face value of ₹10 per share)</b>          |          |                              |                              |
| Basic                                                                   | 33       | 9.98                         | 10.65                        |
| Diluted                                                                 | 33       | 9.98                         | 10.65                        |
| Summary of material accounting policies and other material information  | 2        |                              |                              |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer

## Standalone Statement of Cash Flows for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                                                                |                              |                              |
| Profit before tax                                                                                            | 1,819.09                     | 1,796.90                     |
| Adjustments for:                                                                                             |                              |                              |
| Depreciation and amortisation expenses                                                                       | 1,320.65                     | 1,165.62                     |
| Depreciation on right of use assets                                                                          | 98.72                        | 81.03                        |
| Net unrealised exchange (gain)/loss                                                                          | 16.36                        | (14.75)                      |
| Loss on sale of assets scrapped                                                                              | -                            | 10.57                        |
| Interest expense                                                                                             | 639.62                       | 711.43                       |
| Provision for doubtful trade receivables / (written back)                                                    | (28.26)                      | 81.26                        |
| Provision for advances & other receivables                                                                   | -                            | 82.74                        |
| Bad Debts                                                                                                    | 34.80                        | -                            |
| Interest income                                                                                              | (151.10)                     | (75.38)                      |
| Guarantee commission income                                                                                  | (48.00)                      | (48.06)                      |
| <b>Operating profit before working capital changes</b>                                                       | <b>3,701.88</b>              | <b>3,791.36</b>              |
| <b>Movements in working capital</b>                                                                          |                              |                              |
| (Increase) / Decrease in inventories                                                                         | (2,542.00)                   | 430.13                       |
| (Increase) / Decrease in trade receivables                                                                   | 288.54                       | (756.86)                     |
| (Increase) / Decrease in loans                                                                               | 13.60                        | (0.84)                       |
| Increase in other financial assets                                                                           | (50.86)                      | (14.26)                      |
| (Increase) / Decrease in non financial assets                                                                | (519.63)                     | 199.91                       |
| Increase / (Decrease) in trade payables                                                                      | 1,929.34                     | (561.54)                     |
| Increase in other financial liabilities                                                                      | 343.91                       | 1,122.78                     |
| Increase / (Decrease) in provisions                                                                          | 55.21                        | (2.01)                       |
| Increase / (Decrease) in non-financial liabilities                                                           | 64.50                        | (506.17)                     |
| <b>Cash generated from operations</b>                                                                        | <b>3,284.49</b>              | <b>3,702.50</b>              |
| Net income tax paid (net of refunds)                                                                         | (318.52)                     | (561.94)                     |
| <b>Net cash generated from operating activities (A)</b>                                                      | <b>2,965.97</b>              | <b>3,140.56</b>              |
| <b>B. Cash flow from investing activities</b>                                                                |                              |                              |
| Purchase of property, plant and equipment, capital work in progress, investment property & intangible assets | (7,372.32)                   | (3,760.92)                   |
| Proceeds from sale of property, plant and equipment                                                          | -                            | 7.11                         |
| Investment in bank deposits (net)                                                                            | 14.99                        | 16.05                        |
| Proceeds from sale of investment in Associate                                                                | -                            | 1.64                         |
| Interest received                                                                                            | 150.97                       | 77.48                        |
| <b>Net cash used in investing activities (B)</b>                                                             | <b>(7,206.36)</b>            | <b>(3,658.64)</b>            |



## Standalone Statement of Cash Flows for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                 | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>C. Cash flow from financing activities</b>                               |                              |                              |
| Proceeds from issue of shares                                               | 5,991.84                     | -                            |
| Proceeds from long-term borrowings (Refer note 17)                          | 2,863.86                     | -                            |
| Repayment of long-term borrowings (Refer note 17)                           | (519.06)                     | (519.06)                     |
| Proceeds from / (Repayments of) short term borrowings (net) (Refer note 17) | (1,149.27)                   | 1,173.64                     |
| Repayment of principal amount on lease liability                            | (99.39)                      | (89.23)                      |
| Repayment of interest amount on lease liability                             | (18.67)                      | (14.08)                      |
| Interest expense paid                                                       | (621.42)                     | (675.91)                     |
| Dividend paid                                                               | (202.91)                     | (193.66)                     |
| <b>Net cash (used in) / generated from financing activities (C)</b>         | <b>6,244.98</b>              | <b>(318.30)</b>              |
| <b>Net (Decrease) / Increase in cash and cash equivalents (A + B + C)</b>   | <b>2,004.59</b>              | <b>(836.38)</b>              |
| Cash and cash equivalents at the beginning of the year                      | 149.39                       | 985.77                       |
| <b>Cash and cash equivalents at the end of the year</b>                     | <b>2,153.98</b>              | <b>149.39</b>                |
| <b>Cash and cash equivalents comprises:</b>                                 |                              |                              |
| Balances with banks                                                         |                              |                              |
| (i) in current accounts                                                     | 2,115.64                     | 146.53                       |
| (ii) In EEFC accounts                                                       | 36.84                        | 1.19                         |
| Cash on hand                                                                | 1.50                         | 1.67                         |
| <b>Cash and cash equivalents as per Standalone Balance Sheet</b>            | <b>2,153.98</b>              | <b>149.39</b>                |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer

# Standalone Statement of Changes in Equity for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## A. Equity share capital

| Particulars                                | Number (in lakhs) | Amount          |
|--------------------------------------------|-------------------|-----------------|
| <b>As at 01 April 2024</b>                 | <b>130.00</b>     | <b>1,300.00</b> |
| Add: Issued and subscribed during the year | -                 | -               |
| <b>As at 31 March 2025</b>                 | <b>130.00</b>     | <b>1,300.00</b> |
| Add: Issued and subscribed during the year | 5.84              | 58.40           |
| <b>As at 31 March 2026</b>                 | <b>135.84</b>     | <b>1,358.40</b> |

## B. Other Equity

| Particulars                                       | Reserves and Surplus |                    |                                  |                   |                                       | Total            |
|---------------------------------------------------|----------------------|--------------------|----------------------------------|-------------------|---------------------------------------|------------------|
|                                                   | Capital Reserve      | Securities Premium | Other Reserves (General Reserve) | Retained earnings | Remeasurement on defined benefit plan |                  |
| <b>Balance as at 01 April 2024</b>                | <b>(64.60)</b>       | <b>6,190.00</b>    | <b>506.30</b>                    | <b>19,665.37</b>  | <b>(66.72)</b>                        | <b>26,230.35</b> |
| Profit for the year                               | -                    | -                  | -                                | 1,384.00          | -                                     | 1,384.00         |
| Items of the other comprehensive loss, net of tax | -                    | -                  | -                                | -                 | (94.39)                               | (94.39)          |
| Dividend                                          | -                    | -                  | -                                | (195.00)          | -                                     | (195.00)         |
| <b>Balance as at 31 March 2025</b>                | <b>(64.60)</b>       | <b>6,190.00</b>    | <b>506.30</b>                    | <b>20,854.37</b>  | <b>(161.11)</b>                       | <b>27,324.96</b> |
| Profit for the year                               | -                    | -                  | -                                | 1,335.62          | -                                     | 1,335.62         |
| Shares issued at premium                          | -                    | 5,933.44           | -                                | -                 | -                                     | 5,933.44         |
| Items of the other comprehensive loss, net of tax | -                    | -                  | -                                | -                 | (45.50)                               | (45.50)          |
| Dividend                                          | -                    | -                  | -                                | (203.76)          | -                                     | (203.76)         |
| <b>Balance as at 31 March 2026</b>                | <b>(64.60)</b>       | <b>12,123.44</b>   | <b>506.30</b>                    | <b>21,986.23</b>  | <b>(206.61)</b>                       | <b>34,344.76</b> |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer



# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## Note 1

### Corporate information

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

## Note 2

### Material accounting policy information

#### (a) Statement of compliance

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on 26 May 2026.

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its standalone financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, other relevant provision of the Companies Act, 2013 as applicable and presentation requirements of Division II of schedule III of the Companies Act, 2013. Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2026, and accounting policies and other explanatory information (together hereinafter referred to as "standalone financial statements").

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

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

### Classification of leases

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

### Recognition of deferred tax assets

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

### Evaluation of indicators for impairment of assets

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

### Recoverability of advances / receivables

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

### Useful lives of depreciable / amortisable assets

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

### Defined benefit obligation (DBO)

The cost of the defined benefit plans and other long-term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to the changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

salary trends in the industry. Attrition rates are considered on long term basis for future periods after analysing past observable data on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

### (e) Property, plant and equipment

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

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

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

### (f) Investment property

#### Recognition and measurement

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

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

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

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

#### Depreciation

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

### (g) Intangible assets

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

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

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

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

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

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

### (i) Revenue recognition

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

#### Sale of goods

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Dividend income

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

### Interest income

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

### Rental income

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

### Training and other service income

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

### Duty drawback

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

## (j) Employee benefits

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

### Defined contribution plan

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

### Defined benefit plan

#### Gratuity

The liability recognised in the under provisions note in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The cost of providing benefit plan is determined using the projected unit credit method.

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

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 liability is included in finance cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

Company transfers those amounts recognized in other comprehensive income to retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

### Compensated absences

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

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

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

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

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

### Short-term employee benefits

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

### (k) Inventories

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

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

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

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

# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## (l) Investments in subsidiaries and associates

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

## (m) Taxes on income

### Current income tax

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

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

### Deferred tax

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

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

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

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

## (n) Provisions and contingencies

### Provisions

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

### Contingent liabilities

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





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

### Contingent assets

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

## (o) Financial instruments

### Financial assets

#### Classification

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

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

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

### Initial recognition and measurement

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

### Trade Receivables

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

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

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

### Subsequent measurement

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

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

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

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

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

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

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

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

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

### iii. **Debt instrument at FVTPL**

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

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

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

### iv. **Equity investments**

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

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

### Financial liabilities

#### Initial recognition and measurement

The Company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at a fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit or Loss.

### Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest rate (EIR) method. Income and Expense are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### Financial guarantee contracts

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

### 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.

### (p) Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-months ECL.

### (q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

- 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

### (r) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### (s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing hydraulic pumps and power units, which constitutes its single reportable segment.

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## (t) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## (u) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

## (v) Leases

### Company as a lessee

The company's lease asset classes primarily consist of leases for server and laptops. 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





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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.

### (w) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

#### Ind AS 21 - Lack of exchangeability

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, this specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Company has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;
  - a) must have substance, and
  - b) must exist at the end of the reporting period;
- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Company has evaluated the amendment and there is no impact on its financial statements.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments:

Introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

The Company has evaluated the amendment and there is no impact on its financial statements.

### Ind AS 12 - International Tax Reform - Pillar Two Model Rules

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12, Income Taxes, which includes:

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and
- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The Company has evaluated the amendment and there is no impact on its financial statements.

New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the company

### Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

The Company has evaluated the amendment and there is no impact on its financial statements.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3 - Property, plant and equipment

| Particulars                        | Freehold land   | Buildings       | Plant and machinery | Electrical installation | Furniture and Fixtures | Office equipment | Jigs and Fixtures | Motor vehicles | Total            |
|------------------------------------|-----------------|-----------------|---------------------|-------------------------|------------------------|------------------|-------------------|----------------|------------------|
| <b>Gross carrying amount</b>       |                 |                 |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 01 April 2024</b> | <b>2,168.56</b> | <b>6,184.07</b> | <b>6,568.60</b>     | <b>305.06</b>           | <b>507.92</b>          | <b>814.53</b>    | <b>960.00</b>     | <b>11.85</b>   | <b>17,520.59</b> |
| Additions                          | -               | 680.45          | 2,312.56            | 99.84                   | 159.05                 | 110.11           | 339.32            | 18.96          | 3,720.29         |
| Movement from Investment property  | -               | 670.47          | -                   | -                       | 241.40                 | -                | -                 | -              | 911.87           |
| Disposals                          | -               | -               | (114.75)            | (0.90)                  | (47.25)                | -                | (46.65)           | (19.65)        | (229.20)         |
| <b>Balance as at 31 March 2025</b> | <b>2,168.56</b> | <b>7,534.99</b> | <b>8,766.41</b>     | <b>404.00</b>           | <b>861.12</b>          | <b>924.64</b>    | <b>1,252.67</b>   | <b>11.16</b>   | <b>21,923.55</b> |
| Additions                          | -               | 945.79          | 3,341.50            | 119.60                  | 133.55                 | 92.09            | 40.98             | -              | 4,673.51         |
| Disposals                          | -               | -               | -                   | -                       | -                      | -                | -                 | -              | -                |
| <b>Balance as at 31 March 2026</b> | <b>2,168.56</b> | <b>8,480.78</b> | <b>12,107.91</b>    | <b>523.60</b>           | <b>994.67</b>          | <b>1,016.73</b>  | <b>1,293.65</b>   | <b>11.16</b>   | <b>26,597.06</b> |
| <b>Accumulated depreciation</b>    |                 |                 |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 01 April 2024</b> | -               | <b>1,207.68</b> | <b>1,727.02</b>     | <b>98.50</b>            | <b>113.18</b>          | <b>453.90</b>    | <b>246.63</b>     | <b>9.62</b>    | <b>3,856.53</b>  |
| Depreciation for the year          | -               | 195.39          | 536.17              | 22.73                   | 78.82                  | 86.67            | 113.35            | 1.70           | 1,034.83         |
| Movement from Investment property  | -               | 11.34           | -                   | -                       | 17.52                  | -                | -                 | -              | 28.86            |
| Disposals                          | -               | -               | (107.21)            | (0.85)                  | (40.18)                | -                | (44.61)           | (18.67)        | (211.52)         |
| <b>Balance as at 31 March 2025</b> | -               | <b>1,414.41</b> | <b>2,155.98</b>     | <b>120.38</b>           | <b>169.34</b>          | <b>540.57</b>    | <b>315.37</b>     | <b>(7.35)</b>  | <b>4,708.70</b>  |
| Depreciation for the year          | -               | 223.19          | 623.66              | 29.40                   | 90.73                  | 96.33            | 139.20            | 2.38           | 1,204.89         |
| Disposals                          | -               | -               | -                   | -                       | -                      | -                | -                 | -              | -                |
| <b>Balance as at 31 March 2026</b> | -               | <b>1,637.60</b> | <b>2,779.64</b>     | <b>149.78</b>           | <b>260.07</b>          | <b>636.90</b>    | <b>454.57</b>     | <b>(4.97)</b>  | <b>5,913.59</b>  |
| <b>Net carrying amount</b>         |                 |                 |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 31 March 2025</b> | <b>2,168.56</b> | <b>6,120.58</b> | <b>6,610.43</b>     | <b>283.62</b>           | <b>691.78</b>          | <b>384.07</b>    | <b>937.30</b>     | <b>18.51</b>   | <b>17,214.85</b> |
| <b>Balance as at 31 March 2026</b> | <b>2,168.56</b> | <b>6,843.18</b> | <b>9,328.27</b>     | <b>373.82</b>           | <b>734.60</b>          | <b>379.83</b>    | <b>839.08</b>     | <b>16.13</b>   | <b>20,683.47</b> |

**Note:**

(a) Contractual obligations / Commitments

Refer note 34 (b)

(b) Property, plant and equipment pledged as security

Details of properties pledged are as per note 17.

(c) Title deeds of the various freehold lands held by the Company are in the name of the Company.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3A - Capital work-in-progress

| Particulars                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------|-------------------------|-------------------------|
| Opening balance                   | 511.88                  | 1,349.95                |
| Add: Additions during the year    | 7,098.24                | 2,882.22                |
| Less: Capitalised during the year | (4,673.51)              | (3,720.29)              |
|                                   | <b>2,936.61</b>         | <b>511.88</b>           |

### Capital work in progress ageing schedule

| Particulars                | Amount in Capital work in progress for a period of |              |              |                      | Total           |
|----------------------------|----------------------------------------------------|--------------|--------------|----------------------|-----------------|
|                            | Less than<br>1 year                                | 1-2 years    | 2-3<br>years | More than<br>3 years |                 |
| <b>As at 31 March 2026</b> |                                                    |              |              |                      |                 |
| Projects in progress       | 2,883.56                                           | 50.27        | 2.78         | -                    | 2,936.61        |
|                            | <b>2,883.56</b>                                    | <b>50.27</b> | <b>2.78</b>  | <b>-</b>             | <b>2,936.61</b> |
| <b>As at 31 March 2025</b> |                                                    |              |              |                      |                 |
| Projects in progress       | 511.88                                             | -            | -            | -                    | 511.88          |
|                            | <b>511.88</b>                                      | <b>-</b>     | <b>-</b>     | <b>-</b>             | <b>511.88</b>   |

#### Note:

- (A) There are no projects in progress under 'Capital work in progress' whose completion is overdue or has exceeded its cost compared to its original plan.
- (B) There are no projects that have been suspended as on 31 March 2026 and 31 March 2025.

### Note 3B - Investment Property

| Particulars                            | Buildings       | Total           |
|----------------------------------------|-----------------|-----------------|
| <b>Gross carrying amount</b>           |                 |                 |
| <b>Balance as at 01 April 2024</b>     | <b>1,826.37</b> | <b>1,826.37</b> |
| Additions                              | -               | -               |
| Moved to property plant and equipment* | (911.87)        | (911.87)        |
| Disposals                              | -               | -               |
| <b>Balance as at 31 March 2025</b>     | <b>914.50</b>   | <b>914.50</b>   |
| Additions                              | -               | -               |
| Disposals                              | -               | -               |
| <b>Balance as at 31 March 2026</b>     | <b>914.50</b>   | <b>914.50</b>   |
| <b>Accumulated depreciation</b>        |                 |                 |
| <b>Balance as at 01 April 2024</b>     | <b>59.36</b>    | <b>59.36</b>    |
| Depreciation for the year              | 29.38           | 29.38           |
| Moved to property plant and equipment* | (28.86)         | (28.86)         |
| Disposals                              | -               | -               |
| <b>Balance as at 31 March 2025</b>     | <b>59.88</b>    | <b>59.88</b>    |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                        | Buildings     | Total         |
|------------------------------------|---------------|---------------|
| Depreciation for the year          | 29.54         | 29.54         |
| Disposals                          | -             | -             |
| <b>Balance as at 31 March 2026</b> | 89.42         | 89.42         |
| <b>Net carrying amount</b>         |               |               |
| <b>Balance as at 31 March 2025</b> | <b>854.62</b> | <b>854.62</b> |
| <b>Balance as at 31 March 2026</b> | <b>825.08</b> | <b>825.08</b> |

The fair value of investment property is ₹1,219.69 (31 March 2025: ₹975.75) as determined by an external independent registered valuer defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the valuation technique used. The valuation technique used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased, rental income of ₹54.90 (31 March 2025: ₹50.64) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 24)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

\* The Company has reclassified a portion of Investment property to Property, plant and equipment as the Company uses the portion of these properties for self-use

### Note 4 - Intangible assets

| Particulars                        | ERP software  | Technical fee | Intellectual property | Total         |
|------------------------------------|---------------|---------------|-----------------------|---------------|
| <b>Gross carrying amount</b>       |               |               |                       |               |
| <b>Balance as at 01 April 2024</b> | <b>354.72</b> | <b>4.06</b>   | <b>409.51</b>         | <b>768.29</b> |
| Additions                          | 122.65        | -             | -                     | 122.65        |
| Disposals                          | -             | -             | -                     | -             |
| <b>Balance as at 31 March 2025</b> | <b>477.37</b> | <b>4.06</b>   | <b>409.51</b>         | <b>890.94</b> |
| Additions                          | 22.95         | -             | -                     | 22.95         |
| Disposals                          | -             | -             | -                     | -             |
| <b>Balance as at 31 March 2026</b> | <b>500.32</b> | <b>4.06</b>   | <b>409.51</b>         | <b>913.89</b> |
| <b>Accumulated amortisation</b>    |               |               |                       |               |
| <b>Balance as at 01 April 2024</b> | <b>245.57</b> | <b>4.05</b>   | <b>288.59</b>         | <b>538.21</b> |
| Amortisation for the year          | 43.00         | -             | 58.41                 | 101.41        |
| Disposals                          | -             | -             | -                     | -             |
| <b>Balance as at 31 March 2025</b> | <b>288.57</b> | <b>4.05</b>   | <b>347.00</b>         | <b>639.62</b> |
| Amortisation for the year          | 58.67         | -             | 27.55                 | 86.22         |
| Disposals                          | -             | -             | -                     | -             |
| <b>Balance as at 31 March 2026</b> | <b>347.24</b> | <b>4.05</b>   | <b>374.55</b>         | <b>725.84</b> |
| <b>Net carrying amount</b>         |               |               |                       |               |
| <b>Balance as at 31 March 2025</b> | <b>188.80</b> | <b>0.01</b>   | <b>62.51</b>          | <b>251.32</b> |
| <b>Balance as at 31 March 2026</b> | <b>153.08</b> | <b>0.01</b>   | <b>34.96</b>          | <b>188.05</b> |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 5 - Right-of-use assets

| Particulars                        | Leasehold Land | Servers | Laptops | Total    |
|------------------------------------|----------------|---------|---------|----------|
| <b>Gross carrying amount</b>       |                |         |         |          |
| <b>Balance as at 01 April 2024</b> | -              | 86.84   | 232.00  | 318.84   |
| Additions                          | 369.11         | 133.21  | 69.92   | 572.24   |
| Disposals                          | -              | -       | -       | -        |
| <b>Balance as at 31 March 2025</b> | 369.11         | 220.05  | 301.92  | 891.08   |
| Additions                          | -              | -       | 136.51  | 136.51   |
| Disposals                          | -              | -       | -       | -        |
| <b>Balance as at 31 March 2026</b> | 369.11         | 220.05  | 438.43  | 1,027.59 |
| <b>Accumulated amortisation</b>    |                |         |         |          |
| <b>Balance as at 01 April 2024</b> | -              | 85.41   | 100.98  | 186.39   |
| Amortisation for the year          | -              | 20.42   | 60.61   | 81.03    |
| Disposals                          | -              | -       | -       | -        |
| <b>Balance as at 31 March 2025</b> | -              | 105.83  | 161.59  | 267.42   |
| Amortisation for the year          | -              | 25.31   | 73.41   | 98.72    |
| Disposals                          | -              | -       | -       | -        |
| <b>Balance as at 31 March 2026</b> | -              | 131.14  | 235.00  | 366.14   |
| <b>Net carrying amount</b>         |                |         |         |          |
| <b>Balance as at 31 March 2025</b> | 369.11         | 114.22  | 140.33  | 623.66   |
| <b>Balance as at 31 March 2026</b> | 369.11         | 88.91   | 203.43  | 661.45   |

**Note:**

**Lease liabilities:** Refer note 18.

### Note 6 - Investments

| Particulars                                         | Face value | As at 31 March 2026 |        | As at 31 March 2025 |        |
|-----------------------------------------------------|------------|---------------------|--------|---------------------|--------|
|                                                     |            | No of Shares        | Amount | No of Shares        | Amount |
| <b>Trade (Unquoted)</b>                             |            |                     |        |                     |        |
| <b>Valued at cost</b>                               |            |                     |        |                     |        |
| <b>Investment in equity shares of subsidiaries:</b> |            |                     |        |                     |        |
| Coretec Engineering India Private Limited           | 10         | 36,19,200           | 380.06 | 36,19,200           | 380.06 |
| Grotek Enterprises Private Limited                  | 10         | 50,10,000           | 523.00 | 50,10,000           | 523.00 |
| Kolben Hydraulics Limited                           | 10         | 28,59,700           | 285.97 | 28,59,700           | 285.97 |
| <b>Extent of Investment in subsidiaries in %</b>    |            |                     |        |                     |        |
| Coretec Engineering India Private Limited           |            | 100.00%             |        | 100.00%             |        |
| Grotek Enterprises Private Limited                  |            | 100.00%             |        | 100.00%             |        |
| Kolben Hydraulics Limited                           |            | 95.30%              |        | 95.30%              |        |
| <b>Investment in equity shares of associates:</b>   |            |                     |        |                     |        |
| Sai India Limited                                   | 10         | 3,60,000            | 20.00  | 3,60,000            | 20.00  |





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 6 - Investments (contd.)

| Particulars                                                   | Face value | As at 31 March 2026 |                 | As at 31 March 2025 |                 |
|---------------------------------------------------------------|------------|---------------------|-----------------|---------------------|-----------------|
|                                                               |            | No of Shares        | Amount          | No of Shares        | Amount          |
| <b>Extent of Investment in associates in %</b>                |            |                     |                 |                     |                 |
| Sai India Limited                                             |            |                     | 40.00%          |                     | 40.00%          |
| Investments measured at fair value through OCI                |            |                     |                 |                     |                 |
| Bourton Consulting (India) Private Limited                    | 10         | 23,800              | 2.38            | 23,800              | 2.38            |
| Hycorn Engineering (India) Private Limited (Refer note (D))   | 10         | 9,41,330            | 94.13           | 9,41,330            | 94.13           |
| The Shamrao Vittal Co-operative Bank Limited (Refer note (D)) | 10         | 2,000               | 0.50            | 2,000               | 0.50            |
| Less : Provision for other than temporary diminution in value |            |                     | (94.63)         |                     | (94.63)         |
|                                                               |            |                     | <b>1,211.41</b> |                     | <b>1,211.41</b> |

#### Notes

|                                             |          |          |
|---------------------------------------------|----------|----------|
| (A) Aggregate value of unquoted investments | 1,306.04 | 1,306.04 |
| (B) Aggregate value of impairment recorded  | 94.63    | 94.63    |

#### (C) Impairment testing of investment in subsidiaries

The recoverable value of the investment in subsidiaries (Coretec Engineering India Private Limited and Kolben Hydraulics Limited) for impairment testing was determined using discounted cash flow approach which involves significant judgement and estimates. The discount rate applied to the cash flow projections is 15.62% to 15.83% (31 March 2025: 15.01% to 15.43%) and cash flows beyond the five-year period were extrapolated using a growth rate of 5.00% (31 March 2025: 5%).

As at 31 March 2026, the estimated recoverable amount of the investment exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

As at 31 March 2026, there were no impairment indicators existing as on reporting date with respect to investment made in Grotek Enterprises Private Limited.

- (D) The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

### Note 7 - Loans

| Particulars                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                  |                         |                         |
| <i>(Unsecured, considered good)</i> |                         |                         |
| Loan to employees                   | 17.22                   | 20.65                   |
|                                     | <b>17.22</b>            | <b>20.65</b>            |
| <b>Current</b>                      |                         |                         |
| <i>(Unsecured, considered good)</i> |                         |                         |
| Loan to employees                   | 29.82                   | 39.99                   |
|                                     | <b>29.82</b>            | <b>39.99</b>            |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 8 - Other financial assets

| Particulars                                            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                     |                         |                         |
| <i>(Unsecured, considered good)</i>                    |                         |                         |
| Security deposits                                      | 90.79                   | -                       |
| Balance held as margin money                           | 8.04                    | 7.70                    |
| <i>(Unsecured, considered doubtful)</i>                |                         |                         |
| Other receivables                                      | 57.16                   | 57.16                   |
| Less: Allowances for doubtful receivables              | (57.16)                 | (57.16)                 |
|                                                        | <b>98.83</b>            | <b>7.70</b>             |
| <b>Current</b>                                         |                         |                         |
| <i>(Unsecured, considered good)</i>                    |                         |                         |
| Security deposits                                      | 72.22                   | 119.45                  |
| Interest accrued on deposits                           | 14.76                   | 14.63                   |
| Other receivables from related parties (Refer note 42) | 26.50                   | 10.93                   |
| Other receivables                                      | 4.91                    | 13.52                   |
|                                                        | <b>118.39</b>           | <b>158.53</b>           |

#### Note:

#### (a) Balance held as margin money

Margin money is paid against performance guarantee provided by the bank to customers against the time period of the PO and can be encashed by the customer on non-performance of the contractual obligation. The Company cannot use the margin money until there is performance of the contractual obligation.

### Note 9 - Other assets

| Particulars                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                           |                         |                         |
| <i>(Unsecured, considered good)</i>          |                         |                         |
| Prepaid expenses                             | 12.02                   | 27.11                   |
| Deferred loan discounting                    | -                       | 0.77                    |
| Capital advances                             | 1,289.39                | 1,046.99                |
| <i>(Unsecured, considered doubtful)</i>      |                         |                         |
| Capital advances                             | 25.58                   | 25.58                   |
| Less: Allowance for doubtful capital advance | (25.58)                 | (25.58)                 |
|                                              | <b>1,301.41</b>         | <b>1,074.87</b>         |
| <b>Current</b>                               |                         |                         |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 9 - Other assets (contd.)

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| <i>(Unsecured, considered good)</i>        |                         |                         |
| Prepaid expenses                           | 218.08                  | 352.55                  |
| Deferred loan discounting                  | -                       | 1.59                    |
| Advance to related parties (Refer note 42) | 4,198.80                | 3,858.65                |
| Advance to suppliers                       | 366.09                  | 92.66                   |
| Duty drawback receivable                   | 4.48                    | 4.48                    |
| Other advances                             | 2.40                    | 1.39                    |
| Balance with government authorities        | 56.97                   | -                       |
|                                            | <b>4,846.82</b>         | <b>4,311.32</b>         |

### Note 10 - Inventories

| Particulars                                                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <i>(Lower of cost and net realisable value)</i>                                                          |                         |                         |
| Raw materials and components (includes goods in transit amounting to ₹1,214.37 (31 March 2025: ₹225.38)) | 4,881.38                | 2,842.69                |
| Work-in-progress                                                                                         | 1,969.01                | 1,646.40                |
| Finished goods (other than those acquired for trading)                                                   | 1,534.17                | 1,244.34                |
| Stock-in-trade                                                                                           | 271.16                  | 380.29                  |
|                                                                                                          | <b>8,655.72</b>         | <b>6,113.72</b>         |

#### Note :

- The Company has recorded inventory at lower of cost and net realisable value.
- Write-downs of inventories on account of slow moving and obsolete items amounted to ₹172.25 (31 March 2025: ₹53.09).

### Note 11 - Trade receivables

| Particulars                                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Trade receivable considered good - unsecured (Refer note 1 below) | 11,132.59               | 11,431.29               |
| Trade receivables - credit impaired                               | 351.30                  | 379.56                  |
|                                                                   | <b>11,483.89</b>        | <b>11,810.85</b>        |
| Less: Allowance for credit loss                                   | 351.30                  | 379.56                  |
|                                                                   | <b>11,132.59</b>        | <b>11,431.29</b>        |

The credit period given to the customer ranges from 0 to 120 days.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 11 - Trade receivables (contd.)

#### Trade receivables ageing schedule

| Particulars                                    | Outstanding for following periods from due date of payment |                   |               |               |                   | Total            |
|------------------------------------------------|------------------------------------------------------------|-------------------|---------------|---------------|-------------------|------------------|
|                                                | Less than 6 months                                         | 6 months - 1 year | 1-2 years     | 2-3 years     | More than 3 years |                  |
| <b>As at 31 March 2026</b>                     |                                                            |                   |               |               |                   |                  |
| Undisputed Trade receivables - considered good | 10,123.07                                                  | 348.03            | 430.05        | 127.51        | 103.93            | 11,132.59        |
| Undisputed trade receivables - credit impaired | -                                                          | 14.08             | 27.76         | 45.33         | 264.13            | 351.30           |
|                                                | <b>10,123.07</b>                                           | <b>362.11</b>     | <b>457.81</b> | <b>172.84</b> | <b>368.06</b>     | <b>11,483.89</b> |
| <b>As at 31 March 2025</b>                     |                                                            |                   |               |               |                   |                  |
| Undisputed Trade receivables - considered good | 10,278.07                                                  | 848.08            | 188.63        | 108.78        | 7.73              | 11,431.29        |
| Undisputed trade receivables - credit impaired | -                                                          | 43.05             | 24.85         | 59.66         | 252.00            | 379.56           |
|                                                | <b>10,278.07</b>                                           | <b>891.13</b>     | <b>213.48</b> | <b>168.44</b> | <b>259.73</b>     | <b>11,810.85</b> |

#### Note:

1. Trade receivable considered good - unsecured includes amount receivable from related parties (Refer note 42).

### Note 12 - Cash and cash equivalents

| Particulars             | As at March 31, 2026 | As at March 31, 2025 |
|-------------------------|----------------------|----------------------|
| Cash on hand            | 1.50                 | 1.67                 |
| Balances with banks     |                      |                      |
| (i) In current accounts | 2,115.64             | 146.53               |
| (ii) In EEFC accounts   | 36.84                | 1.19                 |
|                         | <b>2,153.98</b>      | <b>149.39</b>        |

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

### Note 13 - Bank balances other than cash and cash equivalents

| Particulars                                          | As at March 31, 2026 | As at March 31, 2025 |
|------------------------------------------------------|----------------------|----------------------|
| <b>Current</b>                                       |                      |                      |
| In earmarked accounts                                |                      |                      |
| (i) Unpaid dividend accounts                         | 8.57                 | 7.72                 |
| (ii) Unspent CSR accounts                            | -                    | 6.39                 |
| (iii) Balance held as margin money (Refer Note 8(a)) | 27.00                | 36.45                |
|                                                      | <b>35.57</b>         | <b>50.56</b>         |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 14 - Tax assets

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                    |                         |                         |
| Income tax (net of provision for tax) | 305.95                  | 281.40                  |
|                                       | <b>305.95</b>           | <b>281.40</b>           |

### Note 15- Equity share capital

| Particulars                                                   | As at 31 March 2026 |                 | As at 31 March 2025 |                 |
|---------------------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                               | No of Shares        | Amount          | No of Shares        | Amount          |
| <b>Authorised share capital</b>                               |                     |                 |                     |                 |
| Equity shares of ₹10 each                                     | 1,70,00,000         | 1,700.00        | 1,50,00,000         | 1,500.00        |
|                                                               | <b>1,70,00,000</b>  | <b>1,700.00</b> | <b>1,50,00,000</b>  | <b>1,500.00</b> |
| <b>Issued, subscribed and fully paid up</b>                   |                     |                 |                     |                 |
| Equity shares of ₹10 each                                     | 1,35,84,000         | 1,358.40        | 1,30,00,000         | 1,300.00        |
|                                                               | <b>1,35,84,000</b>  | <b>1,358.40</b> | <b>1,30,00,000</b>  | <b>1,300.00</b> |
| <b>(a) Reconciliation of the number of shares</b>             |                     |                 |                     |                 |
| Equity shares of ₹10 each, par value                          |                     |                 |                     |                 |
| Balances as at the beginning of the year                      | 1,30,00,000         | 1,300.00        | 1,20,00,000         | 1,200.00        |
| Add: Issued and subscribed during the year (Refer below Note) | 5,84,000            | 58.40           | 10,00,000           | 100.00          |
| <b>Balance at the end of the year</b>                         | <b>1,35,84,000</b>  | <b>1,358.40</b> | <b>1,30,00,000</b>  | <b>1,300.00</b> |

**Note:** As per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company has issued and allotted fully paid-up 5,84,000 equity shares of ₹10 each (at a premium of ₹1,016 per share) on preferential basis to Yuken Kogyo Company Limited (Promoter of the Company) on 31 July 2025.

#### (b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (c) The Board of Directors, in its meeting held on 26 May 2026, proposed a final dividend of 15% (₹1.5 per equity share) for the financial year ended 31 March 2026. 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 ₹203.76.

#### (d) Details of shareholders holding more than 5% shares

| Particulars                                       | As at 31 March 2026 |            | As at 31 March 2025 |            |
|---------------------------------------------------|---------------------|------------|---------------------|------------|
|                                                   | Number              | Percentage | Number              | Percentage |
| <b>Equity shares of ₹10 each, par value</b>       |                     |            |                     |            |
| Yuken Kogyo Co. Limited                           | 63,84,000           | 47.00%     | 58,00,000           | 44.62%     |
| Benefic Investments & Finance Co. Private Limited | 13,91,808           | 10.25%     | 13,91,808           | 10.71%     |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 15- Equity share capital (contd.)

#### (e) Disclosure of Shareholding of Promoters

| Promoter Name                                        | No of Shares     | % Of total shares | % Change during the Year |
|------------------------------------------------------|------------------|-------------------|--------------------------|
| <b>As at 31 March 2026:</b>                          |                  |                   |                          |
| 1. Yuken Kogyo Co. Limited                           | 63,84,000        | 47.00%            | 10.07%                   |
| 2. Benefic Investments & Finance Co. Private Limited | 13,91,808        | 10.25%            | 0.00%                    |
| 3. C P Rangachar                                     | 84,400           | 0.62%             | 0.00%                    |
| 4. Vidya Rangachar                                   | 16,000           | 0.12%             | 0.00%                    |
| 5. Madhuri Rangachar                                 | 8,000            | 0.06%             | 0.00%                    |
|                                                      | <b>78,84,208</b> | <b>58.04%</b>     | <b>10.07%</b>            |
| <b>As at 31 March 2025:</b>                          |                  |                   |                          |
| 1. Yuken Kogyo Co. Limited                           | 58,00,000        | 44.62%            | 0.00%                    |
| 2. Benefic Investments & Finance Co. Private Limited | 13,91,808        | 10.71%            | 0.00%                    |
| 3. C P Rangachar                                     | 84,400           | 0.65%             | 0.00%                    |
| 4. Vidya Rangachar                                   | 16,000           | 0.12%             | 0.00%                    |
| 5. Madhuri Rangachar                                 | 8,000            | 0.06%             | 0.00%                    |
|                                                      | <b>73,00,208</b> | <b>56.16%</b>     | <b>0.00%</b>             |

### Note 16 - Other equity

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| General reserve                       | 506.30                  | 506.30                  |
| Retained earnings                     | 21,986.23               | 20,854.37               |
| Remeasurement on defined benefit plan | (206.61)                | (161.11)                |
| Capital Reserve                       | (64.60)                 | (64.60)                 |
| Securities Premium                    | 12,123.44               | 6,190.00                |
|                                       | <b>34,344.76</b>        | <b>27,324.96</b>        |

#### (i) General reserve:

General reserve represents appropriation of profits.

#### (ii) Retained earnings:

All the profits made or losses incurred by the Company are transferred to Retained earnings from the Statement of Profit and Loss.

#### (iii) Capital Reserve:

Capital Reserve has been created on account of merger of Yuflow Engineering Private Limited.

#### (iv) Securities Premium:

The securities premium represents the issue price of equity shares above its face value.





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings

| Particulars                                      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                               |                         |                         |
| <i>(Secured)</i>                                 |                         |                         |
| Term loans from banks                            | 2,863.85                | 519.06                  |
|                                                  | <b>2,863.85</b>         | <b>519.06</b>           |
| Less: Current maturities of long-term borrowings | 613.68                  | 519.06                  |
|                                                  | <b>2,250.17</b>         | <b>-</b>                |
| <b>Current</b>                                   |                         |                         |
| <i>(Secured)</i>                                 |                         |                         |
| Loans repayable on demand from banks             | 3,050.74                | 5,100.00                |
| Current maturities of long-term borrowings       | 613.68                  | 519.06                  |
| <i>(Unsecured)</i>                               |                         |                         |
| Working capital loans from banks                 | 1,700.00                | 800.00                  |
|                                                  | <b>5,364.42</b>         | <b>6,419.06</b>         |

#### (A) Details of limit, repayment, rate of interest, guarantee and security

##### (1) Secured borrowings

###### (a) Term loans from banks

| Particulars                                                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(i) Mizuho Bank Limited</b>                                             |                         |                         |
| Loan limit                                                                 | -                       | 2,500.00                |
| Loan availed                                                               | -                       | 1,974.62                |
| Amount outstanding                                                         | -                       | 519.06                  |
| Repayable in 15 quarterly instalments with 1 year moratorium               |                         |                         |
| Interest rate - MCLR rates                                                 |                         |                         |
| <b>Security Details for the term loans taken from Mizuho Bank Limited:</b> |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹2,500.   |                         |                         |
| <b>(ii) Mizuho Bank Limited</b>                                            |                         |                         |
| Loan limit                                                                 | 3,000.00                | -                       |
| Loan availed                                                               | 2,863.85                | -                       |
| Amount outstanding                                                         | 2,863.85                | -                       |
| Repayable in 14 quarterly instalments with 1 year moratorium               |                         |                         |
| Interest rate - MCLR rates                                                 |                         |                         |
| <b>Security Details for the term loans taken from Mizuho Bank Limited:</b> |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.   |                         |                         |

#### Compliance with Covenant

The term loan is also subject to a general covenant, wherein the company needs to submit the Audited annual accounts within six month from the close the financial year. The Company expects to comply this covenant after reporting date.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

#### (b) Secured working capital loans from banks

| Particulars                                                                                                               | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(i) Mizuho Bank Limited</b>                                                                                            |                         |                         |
| Loan limit                                                                                                                | 3,000.00                | 3,000.00                |
| Amount outstanding                                                                                                        | 2,000.00                | 2,500.00                |
| Repayable on demand                                                                                                       |                         |                         |
| Interest rate - MCLR rates                                                                                                |                         |                         |
| <b>Details of security given</b>                                                                                          |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.                                                  |                         |                         |
| <b>(ii) HDFC Bank Limited</b>                                                                                             |                         |                         |
| Loan limit                                                                                                                | 1,200.00                | 1,200.00                |
| Amount outstanding                                                                                                        | 134.92                  | -                       |
| Repayable on demand                                                                                                       |                         |                         |
| Interest rate - MCLR rates                                                                                                |                         |                         |
| <b>Details of security given</b>                                                                                          |                         |                         |
| First pari pasu charge on stocks, book debts and other current assets with SBI Bank                                       |                         |                         |
| First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur       |                         |                         |
| Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur.          |                         |                         |
| First charge on all movable fixed assets of the company - first paripassu charge with SBI Bank                            |                         |                         |
| <b>(iii) State Bank of India (SBI)</b>                                                                                    |                         |                         |
| Loan limit                                                                                                                | 150.00                  | 150.00                  |
| Amount outstanding                                                                                                        | 15.81                   | -                       |
| Repayable on demand                                                                                                       |                         |                         |
| Interest rate - MCLR rates                                                                                                |                         |                         |
| <b>Details of security given</b>                                                                                          |                         |                         |
| Primary security : Hypothecation on stocks, receivables and other current assets- paripassu charge with HDFC Bank Limited |                         |                         |
| <b>Collateral security details:</b>                                                                                       |                         |                         |
| Equitable mortgage on freehold rights on land and building- Doddanekundi industrial area, Mahadevapura, Bengaluru.        |                         |                         |
| Equitable mortgage of freehold rights on factory land and building located in Peenya, Bengaluru.                          |                         |                         |
| Hypothecation of unencumbered fixed assets of the Company                                                                 |                         |                         |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

| Particulars                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(iv) Sumitomo Mitsui Banking Corporation(SMBC)</b>                    |                         |                         |
| Loan limit                                                               | 5,000.00                | 5,000.00                |
| Amount outstanding                                                       | 900.00                  | 2,600.00                |
| Repayable on demand                                                      |                         |                         |
| Interest rate - MCLR rates                                               |                         |                         |
| <b>Details of security given</b>                                         |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000. |                         |                         |

### (2) Unsecured working capital loans from banks

| Particulars                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------|-------------------------|-------------------------|
| <b>(i) Bank of Tokyo (MUFG)</b> |                         |                         |
| Loan limit                      | 1,850.00                | 1,850.00                |
| Amount outstanding              | 1,700.00                | 800.00                  |
| Repayable on demand             |                         |                         |
| Interest rate - MCLR rates      |                         |                         |

### (B) Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

| Particulars                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| <b>Term Loans and Loans repayable on demand</b> |                         |                         |
| Land and building (Net carrying value)          | 8,363.95                | 7,630.01                |
| Inventories ( Refer Note (C) below)             | 8,655.72                | 6,113.72                |
| Trade receivables                               | 11,132.59               | 11,431.29               |
| Other financial and non financial assets        | 7,184.58                | 4,709.79                |
| Movable Property, plant and equipment           | 11,671.73               | 8,925.71                |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

#### (C) Working Capital limit statement for the year ended 31 March 2026

The Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Company has carried out a reconciliation between these statements filed with the books of account and no material differences were noted on the same, except in the cases reported below:

| Quarter ended     | Name of the bank | Particulars | Amount as per Books | Amount as reported in quarterly return/ statements | Amount of difference | Reason for difference                                                                      | Whether returns / statements subsequently rectified |
|-------------------|------------------|-------------|---------------------|----------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 30 June 2025      | HDFC Bank        | Inventory   | 6,144.37            | 6,046.44                                           | 97.93                | Difference is on account of incomplete inventory declared for quarterly return/ statement. | No                                                  |
| 30 June 2025      | SBI              | Inventory   | 6,144.37            | 6,046.44                                           | 97.93                |                                                                                            | No                                                  |
| 30 September 2025 | HDFC Bank        | Inventory   | 6,654.37            | 6,637.00                                           | 17.37                |                                                                                            | No                                                  |
| 30 September 2025 | SBI              | Inventory   | 6,654.37            | 6,637.00                                           | 17.37                |                                                                                            | No                                                  |

#### (D) Reconciliation of liabilities arising from Company's financing activities

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| Opening balance                            | 6,419.06                | 5,764.48                |
| Proceeds from long-term borrowings         | 2,863.86                | -                       |
| Net movement in working capital borrowings | (1,149.27)              | 1,173.64                |
| Repayment of long-term borrowings          | (519.06)                | (519.06)                |
| <b>Closing balance</b>                     | <b>7,614.59</b>         | <b>6,419.06</b>         |

#### (E) Other Disclosure as per Schedule III

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the standalone balance sheet date.

### Note 18 - Lease liabilities

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                         |                         |                         |
| Lease liabilities (Refer note 44)          | 181.73                  | 153.01                  |
|                                            | <b>181.73</b>           | <b>153.01</b>           |
| <b>Current</b>                             |                         |                         |
| Lease liabilities (Refer note 44)          | 92.72                   | 84.32                   |
|                                            | <b>92.72</b>            | <b>84.32</b>            |
| <b>Movement in lease liabilities</b>       |                         |                         |
| Balance at the beginning of the year       | 237.33                  | 123.44                  |
| Lease liability recognised during the year | 136.51                  | 203.13                  |
| Finance cost incurred during the year      | 18.67                   | 14.08                   |
| Payment of lease liabilities               | (118.06)                | (103.32)                |
| Balance at the end of the year             | <b>274.45</b>           | <b>237.33</b>           |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Other financial liabilities

| Particulars                                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                    |                         |                         |
| Uncharged guarantee commission income                 | 6.13                    | 4.94                    |
| Others security deposits                              | 2.47                    | 2.47                    |
|                                                       | <b>8.60</b>             | <b>7.41</b>             |
| <b>Current</b>                                        |                         |                         |
| Trade / security deposits received                    | 572.32                  | 576.25                  |
| Payable to employees                                  | 458.32                  | 565.77                  |
| Uncharged guarantee commission income                 | 7.94                    | 8.45                    |
| Interest accrued but not due on borrowings            | 2.63                    | 2.90                    |
| Unpaid dividends                                      | 8.57                    | 7.72                    |
| Capital creditors                                     | 185.92                  | 194.64                  |
| Interest accrued on trade payables (Refer note 35)    | 18.10                   | 18.10                   |
| Others                                                | 0.66                    | 0.86                    |
| Supplier financing arrangement (Refer note (A) below) | 3,118.65                | 2,712.03                |
|                                                       | <b>4,373.11</b>         | <b>4,086.72</b>         |

#### (A) Supplier financing arrangement

The Company has entered into supplier finance arrangements with certain financial institutions ("the finance providers") to facilitate the early payment of dues on its behalf to the Company's vendors who may elect to factor their invoice. The finance providers shall pay the amounts to a participating vendor in respect of invoices owed by the Company and receive settlement from the Company at a later date.

By virtue of commercial agreement with the finance providers, the Company shall get extended credit period of upto 90 days from the date of bid acceptance (i.e. beyond the credit period of 0-45 days agreed with vendors) to settle the payment with the finance providers for which the finance providers does not charge any interest to the Company (Interest is collected from the vendors). The Company has not placed any collateral with the finance providers to avail such facility.

As per the terms of the arrangements, the Company gets discharged of its obligations towards a vendor once the finance providers remit the payment to the vendor at the time of factoring.

Therefore, the Company has derecognised the original trade payables at the point in time when those balances become part of supplier financial arrangements. The Company has disclosed the related supplier financial liabilities towards the finance providers under "Other financial liabilities" in note 19 above.

The carrying value of liabilities related to supplier finance arrangement being presented under "Other financial liabilities" are considered to be reasonable approximation of fair value, largely due to the short-term nature of the arrangement.

| Particulars                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Carrying amount of liabilities under supplier finance arrangement</b> |                         |                         |
| Presented under Other Financial Liability                                | 3,118.65                | 2,712.03                |
| - Of which suppliers have received payment from the finance provider     | 3,118.65                | refer note (a)          |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Other financial liabilities (contd.)

| Particulars                                                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| <b>Range of payment due dates (days after invoice date)</b>   |                         |                         |
| Liabilities that are part of the arrangement                  | 70-89 days              | refer note (a)          |
| Comparable trade payables that are not part of an arrangement | 0-45 days               | refer note (a)          |

#### Non cash changes

There were no material business combinations or foreign exchange differences that affected the liabilities under the supplier finance arrangements in either period.

#### Presentation in the Statement of Cashflows

Payments made by the finance providers to the vendors are treated as a non-cash item and settlement of dues to the finance provider by the Company under this arrangement is treated as operating cash outflows because they continue to be part of normal operating cycle and reflect the substance of the payment for purchase of goods and services."

- (a) The Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

Information about the company's exposure to liquidity risk is included in note 41.

### Note 20 - Provisions

| Particulars                                                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                                    |                         |                         |
| Provision for defined benefit obligations (Refer note 39 and note 49) | 332.25                  | 238.44                  |
|                                                                       | <b>332.25</b>           | <b>238.44</b>           |
| <b>Current</b>                                                        |                         |                         |
| Provision for compensated absences (Refer note 39)                    | 405.12                  | 382.92                  |
|                                                                       | <b>405.12</b>           | <b>382.92</b>           |

### Note 21 - Trade payables

| Particulars                                                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises (MSE) (Refer note 35) | 1,730.46                | 1,072.88                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises  | 3,279.27                | 1,994.77                |
|                                                                                         | <b>5,009.73</b>         | <b>3,067.65</b>         |





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 21 - Trade payables (contd.)

| Particulars                | Outstanding for following periods from date of transaction |                  |              |             |                   | Total           |
|----------------------------|------------------------------------------------------------|------------------|--------------|-------------|-------------------|-----------------|
|                            | Accrued Expenses                                           | Less than 1 year | 1-2 years    | 2-3 years   | More than 3 years |                 |
| <b>As at 31 March 2026</b> |                                                            |                  |              |             |                   |                 |
| Dues to MSE                | -                                                          | 1,730.46         | -            | -           | -                 | 1,730.46        |
| Dues to Others             | 471.52                                                     | 2,738.99         | 56.74        | -           | 12.02             | 3,279.27        |
|                            | <b>471.52</b>                                              | <b>4,469.45</b>  | <b>56.74</b> | <b>-</b>    | <b>12.02</b>      | <b>5,009.73</b> |
| <b>As at 31 March 2025</b> |                                                            |                  |              |             |                   |                 |
| Dues to MSE                | -                                                          | 1,072.07         | 0.81         | -           | -                 | 1,072.88        |
| Dues to Others             | 291.05                                                     | 1,687.68         | 0.82         | 9.77        | 5.45              | 1,994.77        |
|                            | <b>291.05</b>                                              | <b>2,759.75</b>  | <b>1.63</b>  | <b>9.77</b> | <b>5.45</b>       | <b>3,067.65</b> |

### Note 22 - Other liabilities

| Particulars                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                              |                         |                         |
| Statutory dues payable                      | 205.74                  | 372.90                  |
| Revenue received in advance (Refer note 23) | 350.43                  | 118.77                  |
|                                             | <b>556.17</b>           | <b>491.67</b>           |

### Note 23 - Revenue from operations

| Particulars                          | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------|------------------------------|------------------------------|
| Sale of products (Refer note 42)     | 39,566.89                    | 39,060.03                    |
|                                      | <b>39,566.89</b>             | <b>39,060.03</b>             |
| <b>Other operating revenue</b>       |                              |                              |
| Training and other services rendered | 146.71                       | 184.47                       |
| Duty drawback                        | 10.44                        | 1.84                         |
| Export Incentive                     | 5.13                         | -                            |
|                                      | 162.28                       | 186.31                       |
|                                      | <b>39,729.17</b>             | <b>39,246.34</b>             |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 23 - Revenue from operations (contd.)

#### Reconciling the amount of revenue recognized in the statement of profit and loss with contracted price:

| Particulars                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------|------------------------------|------------------------------|
| Revenue as per contracted price              | 39,566.89                    | 39,060.03                    |
| <b>Adjustments:</b>                          |                              |                              |
| Discounts                                    | -                            | -                            |
| <b>Revenue from contracts with customers</b> | <b>39,566.89</b>             | <b>39,060.03</b>             |

#### Details of contract balances

| Particulars                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 | As at<br>01 April 2024 |
|---------------------------------------------|-------------------------|-------------------------|------------------------|
| Trade receivables (Refer note 11)           | 11,132.59               | 11,431.29               | 10,755.69              |
| Revenue received in advance (Refer note 22) | 350.43                  | 118.77                  | 828.71                 |
| <b>Total</b>                                | <b>11,483.02</b>        | <b>11,550.06</b>        | <b>11,584.40</b>       |

#### Movement in contract balances

| Particulars                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------|------------------------------|------------------------------|
| <b>Opening balance</b>                                 | <b>118.77</b>                | <b>828.71</b>                |
| Less: Revenue recognised from above/ advance forfeited | (118.77)                     | (828.71)                     |
| Add: Additions during the year                         | 350.43                       | 118.77                       |
| <b>Closing balance</b>                                 | <b>350.43</b>                | <b>118.77</b>                |
| Non-current                                            | -                            | -                            |
| Current                                                | 350.43                       | 118.77                       |

#### Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

| Particulars                          | Timing of revenue<br>recognition | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------|----------------------------------|------------------------------|------------------------------|
| <b>Sale of products</b>              |                                  |                              |                              |
| Finished goods                       | At point in time                 | 39,566.89                    | 39,060.03                    |
| <b>Other operating revenue</b>       |                                  |                              |                              |
| Training and other services rendered | Over a period of time            | 146.71                       | 184.47                       |
| Duty drawback                        | At point in time                 | 10.44                        | 1.84                         |
| Export Incentive                     | At point in time                 | 5.13                         | -                            |
| <b>Sale of products comprises :</b>  |                                  |                              |                              |
| <b>Manufactured goods</b>            |                                  |                              |                              |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 23 - Revenue from operations (contd.)

| Particulars                             | Timing of revenue recognition | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------|-------------------------------|------------------------------|------------------------------|
| Hydraulic pumps, valves, etc            |                               | 22,982.99                    | 21,446.19                    |
| Hydraulic systems                       |                               | 14,705.56                    | 15,528.89                    |
|                                         |                               | <b>37,688.55</b>             | <b>36,975.08</b>             |
| <b>Traded goods</b>                     |                               |                              |                              |
| Other Items (Valves, Pumps, Spares etc) |                               | 1,878.34                     | 2,084.95                     |
|                                         |                               | <b>39,566.89</b>             | <b>39,060.03</b>             |

### Note 24 - Other income

| Particulars                                                                                         | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Interest on financial assets carried at amortised cost</b>                                       |                              |                              |
| - on deposits with banks                                                                            | 2.85                         | 3.16                         |
| - on overdue trade receivables                                                                      | 26.98                        | 56.24                        |
| - on others                                                                                         | 148.24                       | 15.98                        |
| Rental income                                                                                       | 150.04                       | 105.45                       |
| Sale of scrap                                                                                       | 56.69                        | 81.73                        |
| Discount received                                                                                   | 58.87                        | 125.53                       |
| Miscellaneous income (comprises of guarantee commission & provision for doubtful debt written back) | 78.77                        | 58.60                        |
|                                                                                                     | <b>522.44</b>                | <b>446.69</b>                |

### Note 25 - Cost of materials consumed

| Particulars          | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------|------------------------------|------------------------------|
| Opening stock        | 2,842.69                     | 3,051.63                     |
| Add : Purchases      | 22,450.81                    | 19,367.89                    |
|                      | <b>25,293.50</b>             | <b>22,419.52</b>             |
| Less : Closing stock | 4,881.38                     | 2,842.69                     |
|                      | <b>20,412.12</b>             | <b>19,576.83</b>             |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 26 - Purchases of stock-in-trade

| Particulars              | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------|------------------------------|------------------------------|
| Purchase of traded goods | 1,740.53                     | 2,004.05                     |
|                          | <b>1,740.53</b>              | <b>2,004.05</b>              |

### Note 27 - Changes in stock of finished goods, work-in-progress and stock-in-trade

| Particulars                                      | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------|------------------------------|------------------------------|
| <b>Inventories at the end of the year:</b>       |                              |                              |
| Finished goods                                   | 1,534.17                     | 1,244.34                     |
| Work-in-progress                                 | 1,969.01                     | 1,646.40                     |
| Stock-in-trade                                   | 271.16                       | 380.29                       |
|                                                  | <b>3,774.34</b>              | <b>3,271.03</b>              |
| <b>Inventories at the beginning of the year:</b> |                              |                              |
| Finished goods                                   | 1,244.34                     | 1,351.40                     |
| Work-in-progress                                 | 1,646.40                     | 1,625.97                     |
| Stock-in-trade                                   | 380.29                       | 514.85                       |
|                                                  | <b>3,271.03</b>              | <b>3,492.22</b>              |
|                                                  | <b>(503.31)</b>              | <b>221.19</b>                |

### Note 28 - Employee benefits expense

| Particulars                                           | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------------------|------------------------------|------------------------------|
| Salaries and wages                                    | 4,462.59                     | 4,351.00                     |
| Contributions to provident and other funds            | 331.97                       | 320.15                       |
| Contribution to defined benefits plan (Refer note 39) | 83.00                        | 63.82                        |
| Staff welfare expenses                                | 435.63                       | 389.56                       |
|                                                       | <b>5,313.19</b>              | <b>5,124.53</b>              |

### Note 29 - Finance costs

| Particulars                                       | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------------------|------------------------------|------------------------------|
| Interest expenses on borrowings at amortised cost | 613.20                       | 583.73                       |
| Interest expenses on lease liabilities            | 18.67                        | 14.08                        |
| Interest on others                                | 7.75                         | 113.62                       |
|                                                   | <b>639.62</b>                | <b>711.43</b>                |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 30 - Depreciation and amortisation expense

| Particulars                                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Depreciation on Property, plant and equipment (Refer note 3) | 1,204.89                     | 1,034.83                     |
| Depreciation on Investment property (Refer note 3B)          | 29.54                        | 29.38                        |
| Amortisation on intangible assets (Refer note 4)             | 86.22                        | 101.41                       |
| Amortisation on right-of-use assets (Refer note 5)           | 98.72                        | 81.03                        |
|                                                              | <b>1,419.37</b>              | <b>1,246.65</b>              |

### Note 31 - Other expenses

| Particulars                                               | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------|------------------------------|------------------------------|
| Consumption of stores and spare parts                     | 378.98                       | 371.69                       |
| Tools consumed                                            | 526.19                       | 566.53                       |
| Consumption of packing materials                          | 548.79                       | 474.24                       |
| Subcontracting                                            | 2,543.00                     | 2,421.96                     |
| Contract labour wages                                     | 606.29                       | 578.64                       |
| Power and fuel                                            | 424.12                       | 347.99                       |
| Rent including lease rentals                              | 337.27                       | 273.05                       |
| Repairs and maintenance - Buildings                       | 212.22                       | 190.83                       |
| Repairs and maintenance - Machinery                       | 504.54                       | 482.82                       |
| Repairs and maintenance - Others                          | 18.86                        | 28.35                        |
| Vehicle maintenance                                       | 61.82                        | 67.52                        |
| Insurance                                                 | 42.01                        | 39.20                        |
| Rates and taxes                                           | 54.33                        | 43.79                        |
| Travelling and conveyance                                 | 813.03                       | 721.25                       |
| Freight and forwarding                                    | 688.58                       | 641.02                       |
| Legal and professional charges                            | 440.78                       | 442.44                       |
| Remuneration to auditors (Refer note 32 below)            | 56.37                        | 46.77                        |
| Bad Debts                                                 | 34.80                        | -                            |
| Net loss on foreign currency transactions and translation | 81.65                        | 54.16                        |
| Loss on sale of property, plant and equipment (net)       | -                            | 10.57                        |
| Provision for doubtful trade receivables                  | -                            | 81.26                        |
| Provision for advances & other receivables                | -                            | 82.74                        |
| Corporate social responsibility expenses (Refer note 46)  | 32.71                        | 41.79                        |
| Miscellaneous expenses                                    | 1,004.66                     | 1,002.84                     |
|                                                           | <b>9,411.00</b>              | <b>9,011.45</b>              |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 32 - Remuneration to auditors comprises (excluding applicable taxes)

| Particulars                                      | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------|------------------------------|------------------------------|
| Statutory audit fees                             | 27.00                        | 23.50                        |
| Limited review fees                              | 15.00                        | 12.00                        |
| Other services (inclusive of certification fees) | 7.50                         | 4.50                         |
| Tax audit                                        | 2.00                         | 2.00                         |
| Reimbursement of expenses                        | 4.87                         | 4.77                         |
|                                                  | <b>56.37</b>                 | <b>46.77</b>                 |

### Note 33 - Earnings per share

| Particulars                                                     | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| <b>Basic and diluted</b>                                        |                              |                              |
| Net profit for the year attributable to the equity shareholders | 1,335.62                     | 1,384.00                     |
| Weighted average number of equity shares                        | 1,33,88,800                  | 1,30,00,000                  |
| Par value per share                                             | 10.00                        | 10.00                        |
| Earnings per share - Basic                                      | 9.98                         | 10.65                        |
| Earnings per share - Diluted                                    | 9.98                         | 10.65                        |

### Note 34 - Contingencies and commitments

#### (a) Contingent liabilities

| Particulars                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the Company not acknowledged as debts</b> |                         |                         |
| Disputed income tax liabilities                             | 19.10                   | 19.10                   |
| (i) AY 2009-10                                              | 10.83                   | 10.83                   |
| (ii) AY 2012-13                                             | -                       | 18.50                   |
| (iii) AY 2014-15                                            | 29.93                   | 48.43                   |

#### (b) Commitments

| Particulars                                                                                            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b> |                         |                         |
| Capital commitments                                                                                    | 381.90                  | 3,901.65                |
|                                                                                                        | 381.90                  | 3,901.65                |
| <b>Other commitments</b>                                                                               |                         |                         |
| Corporate guarantees given to subsidiaries and associate                                               | 7,340.00                | 7,150.00                |





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 35 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2026 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.

| Particulars                                                                                                                                                                                                                                                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of each accounting year:                                                                                                                                                  |                         |                         |
| (i) Principal Amount                                                                                                                                                                                                                                                       |                         |                         |
| Trade Payables (Refer note 21)                                                                                                                                                                                                                                             | 1,729.14                | 1,072.88                |
| Capital Creditors (Refer note 19)                                                                                                                                                                                                                                          | 27.13                   | -                       |
| (ii) Interest due on above                                                                                                                                                                                                                                                 | 1.40                    | -                       |
| (b) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year;                                                                                             | 122.81                  | 73.34                   |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;                                               | -                       | -                       |
| (d) The amount of interest accrued and remaining unpaid at the end of accounting year; and                                                                                                                                                                                 | 1.40                    | 18.10                   |
| (e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006. | 19.50                   | 18.10                   |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the management

### Note 36 - Disclosure in respect of loans given, investment made, guarantees given and security provided as per Section 186(4) of the Companies Act, 2013

| Particulars                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------|------------------------------|------------------------------|
| <b>Guarantees given during the year</b>      |                              |                              |
| Grotek Enterprises Private Limited           | -                            | 1,000.00                     |
| AEPL Grotek Renewable Energy Private Limited | 240.00                       | 1,500.00                     |

#### Note:

The company has provided guarantee in respect of the Term Loan taken by Grotek Enterprises Private Limited & AEPL Grotek Renewable Energy Private Limited from Sumitomo Mitsui Banking Corporation (SMBC) in FY 24-25. During the year, company has provided guarantee in respect of enhancement of Term loan taken by AEPL Grotek Renewable Energy Private Limited from Sumitomo Mitsui Banking Corporation (SMBC).

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

| Particulars                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| Borrowings (Refer note 17)                                               | 7,614.59                | 6,419.06                |
| Trade payables (Refer note 21)                                           | 5,009.73                | 3,067.65                |
| Less: Cash and cash equivalents (Refer note 12)                          | 2,153.98                | 149.39                  |
| Less: Bank balances other than cash and cash equivalents (Refer note 13) | 35.57                   | 50.56                   |
| <b>Net debt</b>                                                          | <b>10,434.77</b>        | <b>9,286.76</b>         |
| Equity (Refer note 15)                                                   | 1,358.40                | 1,300.00                |
| Other equity (Refer note 16)                                             | 34,344.76               | 27,324.96               |
| <b>Capital and net debt</b>                                              | <b>46,137.93</b>        | <b>37,911.72</b>        |
| Gearing ratio                                                            | <b>23%</b>              | <b>24%</b>              |

### Note 38 - Income Tax

| Particulars                                                          | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| The major components of income tax expense are:                      |                              |                              |
| <b>Current income tax:</b>                                           |                              |                              |
| Current income tax charge                                            | 226.34                       | 117.94                       |
| Current tax of earlier years                                         | 67.64                        | 316.95                       |
|                                                                      | <b>293.98</b>                | <b>434.89</b>                |
| <b>Deferred tax charge</b>                                           |                              |                              |
| Relating to the origination and reversal of temporary differences    | 231.69                       | 300.48                       |
| Deferred tax income for earlier years                                | (42.20)                      | (322.47)                     |
| Income tax expense reported in Statement of Profit and Loss          | 483.47                       | 412.90                       |
| <b>Deferred tax related to items recognised in OCI</b>               |                              |                              |
| Income tax relating to re-measurement gains on defined benefit plans | (15.30)                      | (13.93)                      |
|                                                                      | <b>(15.30)</b>               | <b>(13.93)</b>               |
|                                                                      | <b>468.17</b>                | <b>398.97</b>                |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 - Income Tax (contd.)

#### Reconciliation of deferred tax liabilities (net)

| Particulars                                                                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| Opening balance                                                                | 751.00                  | 786.92                  |
| Deferred tax charge during the year recognised in statement of profit and loss | 189.49                  | (21.99)                 |
| Deferred tax charge/(credit) during the year recognised in OCI                 | (15.30)                 | (13.93)                 |
| <b>Closing balance</b>                                                         | <b>925.19</b>           | <b>751.00</b>           |

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

| Particulars                                                                             | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Accounting profit before tax</b>                                                     | 1,819.09                     | 1,796.90                     |
| Tax on accounting profit at statutory income tax rate at 25.17% (31 March 2025: 25.17%) | 457.83                       | 452.28                       |
| <b>Reconciling items:</b>                                                               |                              |                              |
| <b>Expenses/(Income) disallowed under the provisions of Income tax Act, 1961</b>        |                              |                              |
| Donations and others                                                                    | 0.20                         | 23.65                        |
| Tax for earlier years                                                                   | 25.44                        | -                            |
| Change in income tax rate                                                               | -                            | (63.03)                      |
|                                                                                         | <b>483.47</b>                | <b>412.90</b>                |
| <b>Income tax expense reported in the Statement of Profit and Loss</b>                  | <b>483.47</b>                | <b>412.90</b>                |

#### Details of items disclosed under deferred tax assets / (liabilities):

| Particulars                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------|-------------------------|-------------------------|
| Deferred tax assets                | 315.25                  | 316.02                  |
| Deferred tax liabilities           | (1,240.44)              | (1,067.02)              |
| <b>Deferred tax liability, net</b> | <b>(925.19)</b>         | <b>(751.00)</b>         |

#### Significant components of deferred tax asset / (liability) for the year ended 31 March 2026 are as follows :

| Particulars                                                                                                  | Opening<br>balance | Recognised<br>in SPL | Recognised<br>in OCI | Closing<br>balance |
|--------------------------------------------------------------------------------------------------------------|--------------------|----------------------|----------------------|--------------------|
| (i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961. | (1,066.20)         | (173.11)             | -                    | (1,239.31)         |
| (ii) Provision for doubtful receivables and advances                                                         | 116.35             | (7.11)               | -                    | 109.24             |
| (iii) Re-measurement of defined benefit liability                                                            | 156.38             | 10.51                | 15.30                | 182.19             |
| (iv) Fair value measurement of financial asset/liability                                                     | 23.82              | -                    | -                    | 23.82              |
| (v) Lease liabilities net of lease assets                                                                    | (0.82)             | (0.31)               | -                    | (1.13)             |
| (vi) Others (Expenses)                                                                                       | 19.47              | (19.47)              | -                    | -                  |
| <b>Deferred tax liability, net</b>                                                                           | <b>(751.00)</b>    | <b>(189.49)</b>      | <b>15.30</b>         | <b>(925.19)</b>    |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 - Income Tax (contd.)

Significant components of deferred tax asset / (liability) for the year ended 31 March 2025 are as follows :

| Particulars                                                                                                  | Opening balance | Recognised in SPL | Recognised in OCI | Closing balance |
|--------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-------------------|-----------------|
| (i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961. | (1,062.21)      | (3.99)            | -                 | (1,066.20)      |
| (ii) Provision for doubtful receivables and advances                                                         | 86.86           | 29.49             | -                 | 116.35          |
| (iii) Re-measurement of defined benefit liability                                                            | 138.77          | 3.68              | 13.93             | 156.38          |
| (iv) Fair value measurement of financial asset/liability                                                     | 25.11           | (1.29)            | -                 | 23.82           |
| (v) Lease liabilities net of lease assets                                                                    | (1.93)          | 1.11              | -                 | (0.82)          |
| (vi) Others (Expenses)                                                                                       | 26.48           | (7.01)            | -                 | 19.47           |
| <b>Deferred tax liability, net</b>                                                                           | <b>(786.92)</b> | <b>21.99</b>      | <b>13.93</b>      | <b>(751.00)</b> |

### Note 39 - Defined benefit obligations

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

#### 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 ₹274.87 (31 March 2025: ₹261.84) for provident fund contributions and ₹52.77 (31 March 2025: ₹48.78) 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 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.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Defined benefit obligations (contd.)

#### 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 accrued and paid in accordance with the provisions under the Code on Social Security, 2020 (w.e.f. 21 November 2021) and Payment of Gratuity Act, 1972 (as amended from time to time) until 20 November 2025. 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 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.

| Particulars                                                                                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :</b> |                         |                         |
| Current service cost                                                                                         | 60.70                   | 51.94                   |
| Past service cost                                                                                            | 6.40                    | -                       |
| Interest cost                                                                                                | 48.21                   | 41.87                   |
| Expected return on plan assets                                                                               | (32.31)                 | (29.99)                 |
| <b>Components of defined benefit costs recognised in Standalone Statement of Profit or Loss</b>              | <b>83.00</b>            | <b>63.82</b>            |
| <b>Re-measurement on the net defined benefit liability :</b>                                                 |                         |                         |
| Actuarial gains and losses arising from change in financial, demographic and experience adjustments          | 49.52                   | 105.73                  |
| Return on Plan assets excluding amount recognised in net interest expense                                    | 11.28                   | 2.59                    |
| <b>Components of defined benefit costs recognised in Standalone Other Comprehensive Income</b>               | <b>60.80</b>            | <b>108.32</b>           |
| <b>Actual contribution and benefit payments for year :</b>                                                   |                         |                         |
| Actual benefit payments                                                                                      | 97.92                   | 56.13                   |
| Actual contributions                                                                                         | 49.99                   | 99.97                   |
| Net asset / (liability) recognised in the Standalone Balance Sheet :                                         |                         |                         |
| Present value of defined benefit obligations                                                                 | (796.36)                | (729.45)                |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Defined benefit obligations (contd.)

| Particulars                                                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Fair value of plan assets                                            | 464.11                  | 491.01                  |
| <b>Funded status - deficit</b>                                       | <b>(332.25)</b>         | <b>(238.44)</b>         |
| Unrecognised past service costs                                      | -                       | -                       |
| <b>Net liability recognised in the Standalone Balance Sheet</b>      | <b>(332.25)</b>         | <b>(238.44)</b>         |
| <b>Change in defined benefit obligations (DBO) during the year :</b> |                         |                         |
| Present value of DBO at the beginning of the year                    | 729.45                  | 586.04                  |
| Current service cost                                                 | 60.70                   | 51.94                   |
| Past service cost                                                    | 6.40                    | -                       |
| Interest cost                                                        | 48.21                   | 41.87                   |
| Actuarial losses                                                     | 49.52                   | 105.73                  |
| Benefits paid                                                        | (97.92)                 | (56.13)                 |
| <b>Present value of DBO at the end of the year</b>                   | <b>796.36</b>           | <b>729.45</b>           |
| <b>Change in fair value of assets during the year :</b>              |                         |                         |
| Plan assets at the beginning of the year                             | 491.01                  | 419.77                  |
| Expected return on plan assets                                       | 32.31                   | 29.99                   |
| Actual company contributions                                         | 49.99                   | 99.97                   |
| Actuarial losses                                                     | (11.28)                 | (2.59)                  |
| Benefits paid                                                        | (97.92)                 | (56.13)                 |
| <b>Plan assets at the end of the year</b>                            | <b>464.11</b>           | <b>491.01</b>           |
| Actual return on plan assets                                         | 21.03                   | 27.40                   |
| <b>Composition of the plan assets is as follows :</b>                |                         |                         |
| Others- insurer managed funds                                        | 100%                    | 100%                    |
| <b>Actuarial assumptions :</b>                                       |                         |                         |
| Discount rate                                                        | 7.05%                   | 6.70%                   |
| Salary escalation                                                    | 4.00%                   | 4.00%                   |
| Attrition                                                            |                         |                         |
| - Below 44 years                                                     | 13.50%                  | 9.00%                   |
| - 44 years and above                                                 | 6.50%                   | 2.00%                   |

**Note:**

The Company is estimated to contribute ₹392.05 (March 2025 ₹298.05) 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.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Defined benefit obligations (contd.)

A quantitative sensitivity analysis for significant assumption is as shown below :

| Particulars                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>Impact of change in the discount rate</b>      |                         |                         |
| Impact due to increase of 1%                      | (40.71)                 | (49.07)                 |
| Impact due to decrease of 1%                      | 45.27                   | 55.89                   |
| <b>Impact of change in the salary growth rate</b> |                         |                         |
| Impact due to increase of 1%                      | 44.71                   | 54.13                   |
| Impact due to decrease of 1%                      | (40.98)                 | (48.40)                 |
| <b>Impact of change in the attrition rate</b>     |                         |                         |
| Impact due to increase of 50%                     | 26.02                   | 18.98                   |
| Impact due to decrease of 50%                     | (41.27)                 | (25.75)                 |
| <b>Impact of change in the mortality rate</b>     |                         |                         |
| Impact due to increase of 10%                     | (0.28)                  | 0.40                    |
| Impact due to decrease of 10%                     | 0.28                    | (0.40)                  |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods.

#### Effect of plan on entity's future cash flows

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The weighted average duration of the plan is estimated to be 7 years. Following is a maturity profile of the defined benefit obligation:

#### Expected cash flows over the next: (valued on undiscounted basis)

| Particulars        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------|-------------------------|-------------------------|
| 1 year             | 166.67                  | 101.62                  |
| 2 - 5 years        | 413.63                  | 359.79                  |
| 6 - 10 years       | 278.79                  | 181.15                  |
| More than 10 years | 402.08                  | 670.99                  |



# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## Note 40 - Fair value measurements

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2026 were as follows:

| Particulars                                        | Notes | Amortised cost   | Financial assets/liabilities at FVTPL | Financial assets/liabilities at FVOCI |
|----------------------------------------------------|-------|------------------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                      |       |                  |                                       |                                       |
| <b>Non-current assets</b>                          |       |                  |                                       |                                       |
| Financial Assets                                   |       |                  |                                       |                                       |
| Loans                                              | 7     | 17.22            | -                                     | -                                     |
| Other financial assets                             | 8     | 98.83            | -                                     | -                                     |
| <b>Current assets</b>                              |       |                  |                                       |                                       |
| Financial assets                                   |       |                  |                                       |                                       |
| Trade receivables                                  | 11    | 11,132.59        | -                                     | -                                     |
| Cash and cash equivalents                          | 12    | 2,153.98         | -                                     | -                                     |
| Bank balances other than cash and cash equivalents | 13    | 35.57            | -                                     | -                                     |
| Loans                                              | 7     | 29.82            | -                                     | -                                     |
| Other financial assets                             | 8     | 118.39           | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>13,586.40</b> | <b>-</b>                              | <b>-</b>                              |
| <b>LIABILITIES</b>                                 |       |                  |                                       |                                       |
| <b>Non-current liabilities</b>                     |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 2,250.17         |                                       |                                       |
| Lease liabilities                                  | 18    | 181.73           | -                                     | -                                     |
| Other financial liabilities                        | 19    | 8.60             | -                                     | -                                     |
| <b>Current liabilities</b>                         |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 5,364.42         | -                                     | -                                     |
| Lease liabilities                                  | 18    | 92.72            | -                                     | -                                     |
| Trade payables                                     | 21    | 5,009.73         | -                                     | -                                     |
| Other financial liabilities                        | 19    | 4,373.11         | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>17,280.48</b> | <b>-</b>                              | <b>-</b>                              |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - Fair value measurements (contd)

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

| Particulars                                        | Notes | Amortised cost   | Financial assets/liabilities at FVTPL | Financial assets/liabilities at FVOCI |
|----------------------------------------------------|-------|------------------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                      |       |                  |                                       |                                       |
| <b>Non-current assets</b>                          |       |                  |                                       |                                       |
| Financial Assets                                   |       |                  |                                       |                                       |
| Loans                                              | 7     | 20.65            | -                                     | -                                     |
| Other financial assets                             | 8     | 7.70             | -                                     | -                                     |
| <b>Current assets</b>                              |       |                  |                                       |                                       |
| Financial assets                                   |       |                  |                                       |                                       |
| Trade receivables                                  | 11    | 11,431.29        | -                                     | -                                     |
| Cash and cash equivalents                          | 12    | 149.39           | -                                     | -                                     |
| Bank balances other than cash and cash equivalents | 13    | 50.56            | -                                     | -                                     |
| Loans                                              | 7     | 39.99            | -                                     | -                                     |
| Other financial assets                             | 8     | 158.53           | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>11,858.11</b> | <b>-</b>                              | <b>-</b>                              |
| <b>LIABILITIES</b>                                 |       |                  |                                       |                                       |
| <b>Non-current liabilities</b>                     |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Lease liabilities                                  | 18    | 153.01           | -                                     | -                                     |
| Other financial liabilities                        | 19    | 7.41             | -                                     | -                                     |
| <b>Current liabilities</b>                         |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 6,419.06         | -                                     | -                                     |
| Lease liabilities                                  | 18    | 84.32            | -                                     | -                                     |
| Trade payables                                     | 21    | 3,067.65         | -                                     | -                                     |
| Other financial liabilities                        | 19    | 4,086.72         | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>13,818.17</b> | <b>-</b>                              | <b>-</b>                              |

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - Fair value measurements (contd)

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

#### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 which maximise the use of observable market data and rely on as little as possible on the entity specific estimates for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

The Company does not have any financial instrument designated at FVTPL or FVOCI to be valued as per level 1, level 2, level 3, hence this disclosure is not presented.

### Note 41 - Financial risk management

The Company's financial assets majorly comprise of trade receivables, investments, loans, cash and cash equivalents and Bank balances other than cash. The Company's financial liabilities majorly comprises of borrowings, trade payables and lease liabilities.

The Company is primarily exposed to market risk, credit risk and liquidity risk arising out of operations. The Company's financial assets category are summarised in Note 6 to 8, Note 11 - 13, and liabilities are summarised in Note 17 to 19 and Note 21.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

#### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

| Assets under credit risk                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Asset</b>                                       |                         |                         |
| Investments                                        | 1,211.41                | 1,211.41                |
| Loans                                              | 47.04                   | 60.64                   |
| Other financial assets                             | 217.22                  | 166.23                  |
| Trade receivables                                  | 11,132.59               | 11,431.29               |
| Cash and cash equivalents                          | 2,153.98                | 149.39                  |
| Bank balances other than cash and cash equivalents | 35.57                   | 50.56                   |
|                                                    | <b>14,797.81</b>        | <b>13,069.52</b>        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd)

#### A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

| Assets under credit risk                                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Balance at the beginning                                          | 379.56                  | 298.30                  |
| Impairment loss / (income) recognised (Refer note 24 and note 31) | (28.26)                 | 81.26                   |
| <b>Balance at the end</b>                                         | <b>351.30</b>           | <b>379.56</b>           |

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

| 31-Mar-26                     | Trade receivables     |                      |              |              |                      |           |
|-------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|-----------|
|                               | Less than<br>6 months | 6 months -<br>1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total     |
| Gross carrying amount         | 10,123.07             | 362.11               | 457.81       | 172.84       | 368.06               | 11,483.89 |
| Expected credit loss rate     |                       | 3.89%                | 6.06%        | 26.23%       | 71.76%               |           |
| Lifetime expected credit loss |                       | 14.08                | 27.76        | 45.33        | 264.13               | 351.30    |

| 31-Mar-25                     | Trade receivables     |                      |              |              |                      |           |
|-------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|-----------|
|                               | Less than<br>6 months | 6 months -<br>1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total     |
| Gross carrying amount         | 10,278.07             | 891.13               | 213.48       | 168.44       | 259.73               | 11,810.85 |
| Expected credit loss rate     |                       | 4.83%                | 11.64%       | 35.42%       | 97.02%               |           |
| Lifetime expected credit loss |                       | 43.05                | 24.85        | 59.66        | 252.00               | 379.56    |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd)

#### A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

### (B) Liquidity risk

Liquidity risk is that the 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.

As stated in note 19, the Company has implemented supplier finance arrangements with multiple financial institutions across the country. The Company's commercial contracts with vendors take into account several factors when determining payment terms. These include market conditions, origins of sourcing, and the ability of the vendor to obtain early financing, for example through supplier finance arrangements or direct arrangements with financial institutions. These factors lead to a diversity of payment terms throughout the Company, avoiding concentration of payment terms. The finance providers are in good financial condition, and the Company has no significant concentration on liquidity risk with these finance providers.

The Company's non-derivative financial liabilities have undiscounted contractual maturities (including interest payments where applicable) as summarised below:

#### Maturities of financial liabilities

| As at 31 March 2026         | Less than<br>1 year | 1 year to<br>5 years | More than<br>5 years | Total            |
|-----------------------------|---------------------|----------------------|----------------------|------------------|
| Borrowings                  | 5,364.42            | 2,250.17             | -                    | 7,614.59         |
| Lease liabilities           | 111.60              | 201.71               | -                    | 313.31           |
| Trade payables              | 5,009.73            | -                    | -                    | 5,009.73         |
| Other financial liabilities | 4,373.11            | 8.60                 | -                    | 4,381.71         |
| <b>Total</b>                | <b>14,858.86</b>    | <b>2,460.48</b>      | <b>-</b>             | <b>17,319.34</b> |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd)

| As at 31 March 2025         | Less than 1 year | 1 year to 5 years | More than 5 years | Total            |
|-----------------------------|------------------|-------------------|-------------------|------------------|
| Borrowings                  | 6,419.06         | -                 | -                 | 6,419.06         |
| Lease liabilities           | 101.93           | 176.02            | -                 | 277.95           |
| Trade payables              | 3,067.65         | -                 | -                 | 3,067.65         |
| Other financial liabilities | 4,086.72         | 7.41              | -                 | 4,094.13         |
| <b>Total</b>                | <b>13,675.36</b> | <b>183.43</b>     | <b>-</b>          | <b>13,858.79</b> |

### (C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

#### Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below.

| Included In                  | Currency | As at 31 March 2026        |             | As at 31 March 2025        |             |
|------------------------------|----------|----------------------------|-------------|----------------------------|-------------|
|                              |          | Amount in foreign currency | Amount in ₹ | Amount in foreign currency | Amount in ₹ |
| <b>Financial assets</b>      |          |                            |             |                            |             |
| Trade receivables            | USD      | 2.35                       | 224.15      | 3.05                       | 261.40      |
|                              | GBP      | 0.09                       | 11.90       | 0.12                       | 12.77       |
|                              | EURO     | -                          | -           | 0.38                       | 34.93       |
| EEFC balances                | USD      | 0.39                       | 36.84       | 0.01                       | 1.19        |
| <b>Financial liabilities</b> |          |                            |             |                            |             |
| Trade payables               | USD      | 12.93                      | 1,213.77    | 7.57                       | 650.57      |
|                              | JPY      | -                          | -           | 2.95                       | 1.71        |
|                              | EURO     | 0.03                       | 3.07        | 0.04                       | 3.38        |
| Capital payables             | JPY      | 98.55                      | 59.24       | -                          | -           |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Financial risk management (contd)

#### 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.

| Particulars | Increase<br>31 March 2026 | Decrease<br>31 March 2026 | Increase<br>31 March 2025 | Decrease<br>31 March 2025 |
|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Sensitivity |                           |                           |                           |                           |
| INR/USD     | (9.70)                    | 9.70                      | (3.86)                    | 3.86                      |
| INR/EURO    | (0.03)                    | 0.03                      | 0.32                      | (0.32)                    |
| INR/JPY     | (0.59)                    | 0.59                      | 0.02                      | (0.02)                    |
| INR/GBP     | 0.12                      | (0.12)                    | 0.13                      | (0.13)                    |

#### Interest rate risk

##### Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2026, 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

| Particulars                       | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------|------------------------|------------------------|
| Variable rate borrowing           | 7,614.59               | 6,419.06               |
| Fixed rate borrowing              | -                      | -                      |
| <b>Total borrowings</b>           | <b>7,614.59</b>        | <b>6,419.06</b>        |
| Amount disclosed under borrowings | 7,614.59               | 6,419.06               |

#### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

| Particulars                                             | 31 March 2026 | 31 March 2025 |
|---------------------------------------------------------|---------------|---------------|
| <b>Interest sensitivity</b>                             |               |               |
| Interest rates – increase by 100 basis points (100 bps) | 76.15         | 64.19         |
| Interest rates – decrease by 100 basis points (100 bps) | (76.15)       | (64.19)       |
| <b>Impact on Equity</b>                                 |               |               |
| Increase by 100 basis points (100 bps)                  | (56.98)       | (48.04)       |
| Decrease by 100 basis points (100 bps)                  | 56.98         | 48.04         |





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures

| Nature of relationship                                   | Name of related parties                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I Subsidiary Companies</b>                            | Coretec Engineering India Private Limited<br>Grotek Enterprises Private Limited<br>Kolben Hydraulics Limited                                                                                                                                                                                                                                                                                             |
| <b>II Associate companies</b>                            | Sai India Limited<br>Bourton Consulting (India) Private Limited (till 30 September 2024)<br>AEPL Grotek Renewable Energy Private Limited                                                                                                                                                                                                                                                                 |
| <b>III Entity having significant influence</b>           | Yuken Kogyo Co Limited                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>IV Key Management Personnel (KMP)</b>                 |                                                                                                                                                                                                                                                                                                                                                                                                          |
| Managing Director                                        | C P Rangachar                                                                                                                                                                                                                                                                                                                                                                                            |
| Whole Time Director                                      | Yoshitake Tanaka (till 20.09.2024)                                                                                                                                                                                                                                                                                                                                                                       |
| Chief Financial Officer                                  | H M Narasinga Rao                                                                                                                                                                                                                                                                                                                                                                                        |
| Chief Executive Officer                                  | A. Venkata Krishnan (Resigned w.e.f 27.04.2026)<br>Rakesh Kumar A ( Appointed w.e.f 29.04.2026)                                                                                                                                                                                                                                                                                                          |
| Company Secretary                                        | Suhas H M (Appointed w.e.f. 31.07.2025)<br>Suchithra R (Resigned w.e.f. 16.06.2025)                                                                                                                                                                                                                                                                                                                      |
| Non Executive Directors:                                 | Premchander (Resigned w.e.f 02.09.2024)<br>Indra Prem Menon<br>R Srinivasan(Resigned w.e.f 02.09.2024)<br>Tadanori Okada (Appointed w.e.f 07.08.2024)<br>Vidya Rangachar (Resigned w.e.f 05.09.2024)<br>Hidemi Yasuki (Resigned w.e.f 05.09.2024)<br>Hideharu Nagahisa(Resigned w.e.f 05.09.2024)<br>Tadimalla Parabrahman<br>Kaleginanaoor Chandrashekhar Sharma<br>Yoshitake Tanaka (w.e.f 20.09.2024) |
| <b>Related party where transactions have taken place</b> |                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>V Close members of KMP</b>                            | Madhuri Rangachar<br>Vidya Rangachar                                                                                                                                                                                                                                                                                                                                                                     |
| <b>VI Entities controlled by significant shareholder</b> | Yuken Hydraulics (T.W) Co Limited<br>Yuken Europe Limited<br>Yuken Korea Co Limited<br>Yuken Kogyo (Shanghai) Company Ltd.<br>Yuken Sea Co Limited<br>Yuken Hydraulics (Zhangjiangang) Co. Ltd<br>Yuken North America Corporation                                                                                                                                                                        |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

| Nature of relationship                                                                                | Name of related parties                                                           |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>VII Parties in which key management personnel or their close member have significant influence</b> | Benefic Investment and Finance Company (Private) Limited<br>Nature Arbor LLP      |
| <b>VIII Post employment benefit plans</b>                                                             | Yuken India Employees Gratuity Trust<br>Yuken India Employees Superannuation Fund |

### IX Details of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party                                                       | Description of the relationship              | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
| <b>Purchase of Property, plant and equipment</b>                                                    |                                              |                             |                             |
| Coretec Engineering India Private Limited                                                           | Subsidiary                                   | 15.53                       | 1.43                        |
| Grotek Enterprises Private Limited                                                                  | Subsidiary                                   | 14.85                       | 77.79                       |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence          | 74.78                       | -                           |
| <b>Purchase of goods and services received</b>                                                      |                                              |                             |                             |
| Coretec Engineering India Private Limited                                                           | Subsidiary                                   | 5,661.87                    | 5,670.72                    |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence          | 1,923.45                    | 1,324.91                    |
| Yuken Hydraulics (T.W) Co Limited                                                                   | Entity controlled by significant shareholder | 730.82                      | 923.89                      |
| Yuken Hydraulics (Zhangjiangang) Co. Ltd                                                            | Entity controlled by significant shareholder | 266.76                      | 341.01                      |
| Sai India Limited                                                                                   | Associate                                    | 1.19                        | -                           |
| Kolben Hydraulics Limited                                                                           | Subsidiary                                   | 174.22                      | 213.77                      |
| Bourton Consulting (India) Private Limited*                                                         | Associate                                    | -                           | 8.63                        |
| Grotek Enterprises Private Limited                                                                  | Subsidiary                                   | 3,262.91                    | 3,244.98                    |
| * Note - Bourton Consulting (India) Private Limited ceases to be associate w.e.f. 30 September 2024 |                                              |                             |                             |
| <b>Brand fees expense</b>                                                                           |                                              |                             |                             |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence          | 138.63                      | 123.98                      |
| <b>Sale of goods and services</b>                                                                   |                                              |                             |                             |
| Coretec Engineering India Private Limited                                                           | Subsidiary                                   | 17.89                       | 220.35                      |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence          | 304.27                      | 226.93                      |
| Yuken Hydraulics (T.W) Co Limited                                                                   | Entity controlled by significant shareholder | 6.22                        | 2.37                        |
| Yuken Europe Limited                                                                                | Entity controlled by significant shareholder | 47.07                       | 30.49                       |
| Yuken Korea Co Ltd                                                                                  | Entity controlled by significant shareholder | 23.70                       | -                           |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

#### IX Details of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party | Description of the relationship                                       | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Yuken Sea Co Limited                          | Entity controlled by significant shareholder                          | 15.35                       | 0.12                        |
| Yuken Kogyo (Shangai) Company Ltd.            | Entity controlled by significant shareholder                          | -                           | 8.82                        |
| Yuken North America Corporation               | Entity controlled by significant shareholder                          | 6.23                        | 0.54                        |
| Kolben Hydraulics Limited                     | Subsidiary                                                            | 142.73                      | 1,370.26                    |
| Sai India Limited                             | Associate                                                             | 2.04                        | 7.07                        |
| Grotek Enterprises Private Limited            | Subsidiary                                                            | 37.96                       | 2.74                        |
| <b>Sale of Scrap</b>                          |                                                                       |                             |                             |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | 0.78                        | 1.58                        |
| Grotek Enterprises Private Limited            | Subsidiary                                                            | 27.06                       | 59.99                       |
| <b>Sale of Property, plant and equipment</b>  |                                                                       |                             |                             |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | -                           | 7.53                        |
| <b>Rent income</b>                            |                                                                       |                             |                             |
| Grotek Enterprises Private Limited            | Subsidiary                                                            | 56.25                       | 53.35                       |
| Kolben Hydraulics Limited                     | Subsidiary                                                            | 1.61                        | 1.45                        |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | 36.43                       | 6.91                        |
| <b>Rent expense paid</b>                      |                                                                       |                             |                             |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | 25.20                       | -                           |
| <b>Other expenses</b>                         |                                                                       |                             |                             |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | 1.07                        | -                           |
| Kolben Hydraulics Limited                     | Subsidiary                                                            | 85.16                       | -                           |
| Grotek Enterprises Private Limited            | Subsidiary                                                            | 3.47                        | -                           |
| Nature Arbor LLP                              | Parties in which KMP or their close member have significant influence | 14.80                       | 6.60                        |
| Vidya Rangachar                               | Parties in which KMP or their close member have significant influence | 14.45                       | 0.75                        |
| AEPL Grotek Renewable Energy Private Limited  | Associate                                                             | 20.79                       | -                           |
| <b>Dividend paid</b>                          |                                                                       |                             |                             |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

#### IX Details of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party            | Description of the relationship                                       | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|----------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Yuken Kogyo Co Limited                                   | Entity having significant influence                                   | 95.76                       | 87.00                       |
| C P Rangachar                                            | KMP                                                                   | 1.27                        | 1.27                        |
| Vidya Rangachar                                          | KMP                                                                   | 0.24                        | 0.24                        |
| Madhuri Rangachar                                        | Close member of KMP                                                   | 0.12                        | 0.12                        |
| Benefic Investment and Finance Company (Private) Limited | Parties in which KMP or their close member have significant influence | 20.88                       | 20.88                       |
| <b>Interest Income</b>                                   |                                                                       |                             |                             |
| Grotek Enterprises Private Limited                       | Subsidiary                                                            | 3.95                        | 3.95                        |
| Security Deposit paid                                    |                                                                       |                             |                             |
| Coretec Engineering India Private Limited                | Subsidiary                                                            | 28.50                       | -                           |
| Trade discount received                                  |                                                                       |                             |                             |
| Grotek Enterprises Private Limited                       | Subsidiary                                                            | 27.46                       | 23.83                       |
| Guarantee Commission Income                              |                                                                       |                             |                             |
| Coretec Engineering India Private Limited                | Subsidiary                                                            | 12.00                       | 18.64                       |
| Grotek Enterprises Private Limited                       | Subsidiary                                                            | 19.50                       | 28.01                       |
| Kolben Hydraulics Limited                                | Subsidiary                                                            | 2.00                        | 4.72                        |
| AEPL Grotek Renewable Energy Private Limited             | Associate                                                             | 14.50                       | 14.48                       |
| <b>Other miscellaneous income</b>                        |                                                                       |                             |                             |
| Grotek Enterprises Private Limited                       | Subsidiary                                                            | 3.59                        | -                           |
| Coretec Engineering India Private Limited                | Subsidiary                                                            | 2.41                        | -                           |
| Guarantees given                                         |                                                                       |                             |                             |
| Grotek Enterprises Private Limited                       | Subsidiary                                                            | -                           | 1,000.00                    |
| AEPL Grotek Renewable Energy Private Limited             | Associate                                                             | 240.00                      | 1,500.00                    |
| <b>Remuneration and short term benefits</b>              |                                                                       |                             |                             |
| C P Rangachar                                            | KMP                                                                   | 141.69                      | 114.09                      |
| H M Narasinga Rao                                        | KMP                                                                   | 50.47                       | 68.64                       |
| Suchithra R                                              | KMP                                                                   | -                           | 8.20                        |
| Suhas H M                                                | KMP                                                                   | 9.12                        | -                           |
| A. Venkatakrishnan                                       | KMP                                                                   | 44.22                       | 53.81                       |
| Yoshitake Tanaka                                         | KMP                                                                   | 3.60                        | 25.32                       |
| Premchander                                              | KMP                                                                   | -                           | 1.92                        |
| Indra Prem Menon                                         | KMP                                                                   | 3.60                        | 1.92                        |
| Vidya Rangachar                                          | KMP                                                                   | -                           | 1.92                        |
| R Srinivasan                                             | KMP                                                                   | -                           | 1.92                        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

#### IX Details of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party        | Description of the relationship              | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|------------------------------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
| Tadanori Okada                                       | KMP                                          | 3.60                        | 1.92                        |
| Hidemi Yasuki                                        | KMP                                          | -                           | 1.92                        |
| Parabrahman Tadimalla                                | KMP                                          | 3.60                        | 1.92                        |
| Kaleginanaoor Chandrashekhar Sharma                  | KMP                                          | 3.60                        | 1.92                        |
| Hideharu Nagahisa                                    | KMP                                          | -                           | 1.92                        |
| <b>Director's Sitting fee</b>                        |                                              |                             |                             |
| Premchander                                          | KMP                                          | -                           | 2.00                        |
| Indra Prem Menon                                     | KMP                                          | 4.20                        | 3.00                        |
| Vidya Rangachar                                      | KMP                                          | -                           | 0.80                        |
| R Srinivasan                                         | KMP                                          | -                           | 1.70                        |
| Hidemi Yasuki                                        | KMP                                          | -                           | 0.80                        |
| Hideharu Nagahisa                                    | KMP                                          | -                           | 0.80                        |
| Parabrahman Tadimalla                                | KMP                                          | 4.80                        | 2.00                        |
| Kaleginanaoor Chandrashekhar Sharma                  | KMP                                          | 4.50                        | 2.30                        |
| Tadanori Okada                                       | KMP                                          | 2.40                        | 0.90                        |
| Yoshitake Tanaka                                     | KMP                                          | 2.40                        | 0.60                        |
| <b>Reimbursement of expense(net)</b>                 |                                              |                             |                             |
| Yuken Kogyo Co Limited                               | Entity having significant influence          | 21.96                       | 23.06                       |
| Yuken Europe Limited                                 | Entity controlled by significant shareholder | -                           | 5.14                        |
| Grotek Enterprises Private Limited                   | Subsidiary                                   | 1.54                        | 1.21                        |
| Coretec Engineering India Private Limited            | Subsidiary                                   | -                           | 0.39                        |
| <b>Contribution to post employment benefit plans</b> |                                              |                             |                             |
| Yuken India Employees Gratuity Trust                 | Post employment benefit plans                | 50.00                       | 99.97                       |
| Yuken India Employees Superannuation Fund            | Post employment benefit plans                | 44.86                       | 42.19                       |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

#### X Details of amounts outstandings from related parties as at 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party         | Description of the relationship              | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-------------------------------------------------------|----------------------------------------------|------------------------|------------------------|
| <b>Advance towards purchase of goods and services</b> |                                              |                        |                        |
| Coretec Engineering India Private Limited             | Subsidiary                                   | 2,866.89               | 2,498.46               |
| Grotek Enterprises Private Limited                    | Subsidiary                                   | 1,118.27               | 1,360.19               |
| Kolben Hydraulics Limited                             | Subsidiary                                   | 183.64                 | -                      |
| AEPL Grotek Renewable Energy Private Limited          | Associate                                    | 30.00                  | -                      |
| <b>Trade Receivables</b>                              |                                              |                        |                        |
| Coretec Engineering India Private Limited             | Subsidiary                                   | 26.27                  | 155.18                 |
| Yuken Kogyo Co Limited                                | Entity having significant influence          | 78.97                  | 100.40                 |
| Yuken Hydraulics (T.W) Co Limited                     | Entity controlled by significant shareholder | 1.79                   | -                      |
| Yuken Europe Limited                                  | Entity controlled by significant shareholder | 11.90                  | 12.77                  |
| Grotek Enterprises Private Limited                    | Subsidiary                                   | -                      | 14.53                  |
| Kolben Hydraulics Limited                             | Subsidiary                                   | 472.27                 | 1,109.30               |
| AEPL Grotek Renewable Energy Private Limited          | Associate                                    | 31.95                  | 14.48                  |
| <b>Rent Receivable</b>                                |                                              |                        |                        |
| Grotek Enterprises Private Limited                    | Subsidiary                                   | 4.25                   | 4.01                   |
| Coretec Engineering India Private Limited             | Subsidiary                                   | 22.25                  | 6.91                   |
| <b>Reimbursement of expenses receivables</b>          |                                              |                        |                        |
| Yuken Kogyo Co Limited                                | Entity having significant influence          | -                      | 15.13                  |
| <b>Security Deposit Given</b>                         |                                              |                        |                        |
| Coretec Engineering India Private Limited             | Subsidiary                                   | 28.50                  | -                      |
| <b>Investment in shares held</b>                      |                                              |                        |                        |
| Coretec Engineering India Private Limited             | Subsidiary                                   | 380.06                 | 380.06                 |
| Grotek Enterprises Private Limited                    | Subsidiary                                   | 523.00                 | 523.00                 |
| Kolben Hydraulics Limited                             | Subsidiary                                   | 285.97                 | 285.97                 |
| Sai India Limited                                     | Associate                                    | 20.00                  | 20.00                  |
| <b>Trade Payables</b>                                 |                                              |                        |                        |
| Yuken Kogyo Co Limited                                | Entity having significant influence          | 805.64                 | 437.41                 |
| Yuken Hydraulics (T.W) Co Limited                     | Entity controlled by significant shareholder | 187.51                 | 283.77                 |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 42 - Related party disclosures (contd)

#### X Details of amounts outstandings from related parties as at 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party | Description of the relationship                                       | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------------------|-----------------------------------------------------------------------|------------------------|------------------------|
| Yuken Hydraulics (Zhangjiangang) Co. Ltd      | Entity controlled by significant shareholder                          | 205.79                 | 66.44                  |
| Vidya Rangachar                               | Parties in which KMP or their close member have significant influence | 1.17                   | -                      |
| <b>Capital Payables</b>                       |                                                                       |                        |                        |
| Yuken Kogyo Co Limited                        | Entity having significant influence                                   | 59.24                  | -                      |
| <b>Commission Payable</b>                     |                                                                       |                        |                        |
| Yoshitake Tanaka                              | KMP                                                                   | 3.60                   | 1.92                   |
| Premchander                                   | KMP                                                                   | -                      | 1.92                   |
| Indra Prem Menon                              | KMP                                                                   | 3.60                   | 1.92                   |
| Vidya Rangachar                               | Close member of KMP                                                   | -                      | 1.92                   |
| R Srinivasan                                  | KMP                                                                   | -                      | 1.92                   |
| Tadanori Okada                                | KMP                                                                   | 3.60                   | 1.92                   |
| Hidemi Yasuki                                 | KMP                                                                   | -                      | 1.92                   |
| Parabrahman Tadimalla                         | KMP                                                                   | 3.60                   | 1.92                   |
| Kaleginanaoor Chandrashekhar Sharma           | KMP                                                                   | 3.60                   | 1.92                   |
| Hideharu Nagahisa                             | KMP                                                                   | -                      | 1.92                   |
| <b>Salary Payable</b>                         |                                                                       |                        |                        |
| C P Rangachar                                 | KMP                                                                   | 8.40                   | 6.80                   |
| H M Narasinga Rao                             | KMP                                                                   | 3.79                   | 3.60                   |
| Suchithra R                                   | KMP                                                                   | -                      | 0.65                   |
| K. Gopalkrishna                               | KMP                                                                   | -                      | 4.06                   |
| Suhas H M                                     | KMP                                                                   | 1.03                   | -                      |
| A. Venkatakrishnan                            | KMP                                                                   | 3.16                   | 3.16                   |
| <b>Guarantees outstanding</b>                 |                                                                       |                        |                        |
| Coretec Engineering India Private Limited     | Subsidiary                                                            | 1,850.00               | 1,850.00               |
| Grotek Enterprises Private Limited            | Subsidiary                                                            | 3,600.00               | 3,600.00               |
| Kolben Hydraulics Limited                     | Subsidiary                                                            | 200.00                 | 200.00                 |
| AEPL Grotek Renewable Energy Private Limited  | Associate                                                             | 1,690.00               | 1,500.00               |

#### Note:

- The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 - 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:**

| Particulars                                                                                | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|--------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Revenues from external customers for each product or each group of similar products</b> |                             |                             |
| Sale of products                                                                           | 39,566.89                   | 39,060.03                   |
|                                                                                            | <b>39,566.89</b>            | <b>39,060.03</b>            |

**Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues**

| Particulars   | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|---------------|-----------------------------|-----------------------------|
| India         | 38,929.43                   | 38,706.66                   |
| Outside India | 637.46                      | 353.37                      |
|               | <b>39,566.89</b>            | <b>39,060.03</b>            |

**Non-current assets (other than financial assets and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets**

| Particulars   | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|---------------|-----------------------------|-----------------------------|
| India         | 26,596.07                   | 20,531.20                   |
| Outside India | -                           | -                           |
|               | <b>26,596.07</b>            | <b>20,531.20</b>            |

**Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale**

No single customer contributes 10 percent or more of the Company's total revenue for the years ended 31 March 2026 and 31 March 2025.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 44 - Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2026 on an undiscounted basis:

| Particulars                                 | As at<br>31 March 2026 | As at<br>31 March 2025 |
|---------------------------------------------|------------------------|------------------------|
| Within one year                             | 111.60                 | 101.93                 |
| After one year but not more than five years | 201.71                 | 176.02                 |
|                                             | <b>313.31</b>          | <b>277.95</b>          |

| Particulars                                              | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Amount recognised in Statement of Profit and Loss</b> |                             |                             |
| Depreciation on right of use assets                      | 98.72                       | 81.03                       |
| Interest on lease liabilities                            | 18.67                       | 14.08                       |
| Expenses relating to short term leases                   | 337.27                      | 273.05                      |
| <b>Amount recognised in Statement of Cash Flow</b>       |                             |                             |
| Total cash outflow for leases - principal                | 99.39                       | 89.23                       |
| Total cash outflow for leases - interest                 | 18.67                       | 14.08                       |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### Note 45 - Ratio analysis

| Ratio                           | Numerator                                                                                           | Denominator                                                     | 31 March 2026 | 31 March 2025 | % Change | Reason for variance                                                        |
|---------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------|---------------|----------|----------------------------------------------------------------------------|
| Current Ratio                   | Current Assets                                                                                      | Current Liabilities                                             | 1.71          | 1.53          | 11%      | NA                                                                         |
| Debt-Equity Ratio               | Total Debt                                                                                          | Shareholder's Equity                                            | 0.21          | 0.22          | -5%      | NA                                                                         |
| Debt Service Coverage Ratio     | Earning for Debt Service = Net Profit after taxes + Depreciation and other amortisations + Interest | Debt service = Interest & Lease Payments + Principal Repayments | 1.41          | 2.57          | -45%     | Decrease is due to repayment of short term borrowings in the current year. |
| Return on Equity Ratio          | Net Profits after taxes                                                                             | Average Shareholder's Equity                                    | 0.04          | 0.05          | -11%     | NA                                                                         |
| Inventory Turnover Ratio        | Cost of Goods Sold                                                                                  | Average Inventory                                               | 2.93          | 3.44          | -15%     | NA                                                                         |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return                                                | Average Trade Receivable                                        | 3.51          | 3.52          | 0%       | NA                                                                         |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 45 - Ratio analysis (contd)

| Ratio                        | Numerator                                                       | Denominator                                                                 | 31 March 2026 | 31 March 2025 | % Change | Reason for variance                                                               |
|------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|---------------|---------------|----------|-----------------------------------------------------------------------------------|
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables                                                      | 5.99          | 6.37          | -6%      | NA                                                                                |
| Net Capital Turnover Ratio   | Net sales = Total sales - sales return                          | Working capital = Current assets - Current liabilities                      | 3.54          | 5.06          | -30%     | Increase in working capital has lead to a decrease in Net Capital Turnover ratio. |
| Net Profit Ratio             | Net Profits after taxes                                         | Net sales = Total sales - sales return                                      | 0.03          | 0.03          | -1%      | NA                                                                                |
| Return on Capital Employed   | Earnings before interest and taxes                              | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.06          | 0.07          | -20%     | NA                                                                                |
| Return on Investment         | Interest income on deposits                                     | Fixed deposit with bank                                                     | 0.05          | 0.07          | -29%     | Decrease in bank deposit rate has led to decrease in interest income on deposits. |

#### Notes

1 Reasons for variance has been provided for ratios that have a % change of more than 25%

### Note 46 - Corporate social responsibility ('CSR')

The Company has incurred CSR expenses mainly towards promoting education, healthcare including disability support, animal welfare, eradicating hunger and poverty and protection of heritage which are specified in Schedule VII of the Companies Act, 2013.

| Particulars                                                           | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>(a) Amount required to be spent by the Company during the year</b> | 32.71                       | 32.20                       |
| <b>(b) Amount spent during the year</b>                               |                             |                             |
| (i) Out of which, spent towards current year obligation               | 32.71                       | 32.24                       |
| (ii) Spent from unspent amount of previous year                       | -                           | 9.55                        |
| In cash                                                               |                             |                             |
| i) Construction/acquisition of any asset                              | -                           | -                           |
| ii) On purposes other than (i) above                                  | 32.71                       | 41.79                       |
| iii) Transferred to separate bank account                             | -                           | -                           |
| <b>(c) Shortfall at the end of the year</b>                           | -                           | -                           |
| <b>(d) Total of Previous years shortfall</b>                          | -                           | -                           |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 47 - Other statutory information

1. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
2. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
4. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
5. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
6. The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company.
7. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
8. The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
9. No charges or satisfaction yet to be registered with ROC beyond the statutory period.
10. No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 48 - Management note on Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended March 31, 2026, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes as it would impact database performance significantly.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention where such feature was enabled.

### Note 49 - Impact of New Labour Code

Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes, collectively referred to as the 'New Labour Codes'. The Company has assessed the financial implications of the New Labour Codes and has recognised an incremental expense of Rs. 6.40 Lakhs, during the year ended 31 March 2026.

The Company continues to monitor the developments relating to the implementation of the New Labour Codes and will review the estimates.

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer



# Consolidated Financial Statements

# Independent Auditor's Report

To  
The Members of  
**Yuken India Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Yuken India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its associates as at 31 March 2026, and their consolidated profit (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

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





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

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue Recognition<br><br>Refer to the material accounting policies in Note 2B(g) and related disclosure in Note 24 of the standalone financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Our audit procedures included, but were not limited to, the following: <ul style="list-style-type: none"> <li>Understood the process of revenue recognition and assessed the appropriateness of the accounting policy for revenue recognition in accordance with Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115')</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Revenue from the sale of goods are recognized at a point in time upon transfer of control of promised products to the customers in accordance with the terms of contracts with the customers. Revenue towards a performance obligation is measured at the amount of transaction price allocated to that performance obligation and is accounted for net of rebates or discounts.<br><br>Owing to the Company's high volume of sales transactions and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue has been determined as an area involving significant risk and hence, requiring significant auditor attention.<br><br>Revenue is one of the key performance indicators of the Company and external stakeholders which makes it susceptible to fraud risk and misstatement and thus timing of revenue recognition is relevant as there is a risk of revenue being recognized without transfer of control. Considering the varied terms of contracts with customers, significance of the amount involved and significant attention required by the auditor as mentioned above, revenue recognition is considered to be a key audit matter for the current year audit | <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of key controls (including the automated controls) around revenue recognition;</li> <li>Performed substantive testing by selecting samples of revenue transactions recorded during the year, including specific period before and after the year end. For such samples, verified the underlying supporting documents such as invoices, goods dispatch notes, shipping documents, sales Orders etc. to ensure correct amount of revenue is recognition in the correct period;</li> <li>Performed analytical procedures on current year revenue which included product analysis, customer analysis, etc. to identify any unusual variances / relationships, if any;</li> <li>Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; and</li> <li>Evaluated the appropriateness and adequacy of the related disclosures included in consolidated financial statements in accordance with applicable accounting standards.</li> <li>Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions;</li> </ul> |

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

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

Our opinion on the consolidated financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes

in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 and joint ventures 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 or business activities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the



direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

### Other Matter

15. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹13,852.27 lakhs as at 31 March 2026, total revenues of ₹15,913.56 lakhs and net cash inflows amounting to ₹29.79 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 loss (including other comprehensive income) of ₹30.96 lakhs for the year ended 31 March 2026 in respect of 2 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 Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and associates are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and associates, we report that the Holding Company and one subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. We report that two subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two associates incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries and associates.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2026 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2026 for which such Order reports have been issued till date and made available to us:

| S No | Name                                         | CIN                   | Holding Company / subsidiary / Associate / JointVenture | Clause number of the CARO report which is qualified or adverse |
|------|----------------------------------------------|-----------------------|---------------------------------------------------------|----------------------------------------------------------------|
| 1    | Yuken India Limited                          | L29150KA1976PLC003017 | Holding Company                                         | Clause ii(b) and vii(a)                                        |
| 2    | Kolben Hydraulics Limited                    | U29119KA2007PLC04334  | Subsidiary                                              | Clause vii(a)                                                  |
| 3    | Sai India Limited                            | U29120KA1989FLC01035  | Associate                                               | Clause ii(b) and vii(a)                                        |
| 4    | AEPL Grotek Renewable Energy Private Limited | U40106KA2022PTC156912 | Associate                                               | Clause vii(a)                                                  |

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, and associates incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- 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;
  - Except for the matters stated in paragraph 18(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - 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;
  - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and associates, covered under the Act, none of the directors of the Holding Company, its subsidiaries, and associates are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.
  - The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, and associates covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
  - With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, and associates incorporated in India whose financial statements have been audited under the Act:
    - 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 34(a) to the consolidated financial statements;
    - The Holding Company, its subsidiaries and associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education



and Protection Fund by the Holding Company, during the year ended 31 March 2026. Furthermore, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries and associates covered under the Act, during the year ended 31 March 2026.

- iv. a. The respective managements of the Holding Company, its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in Note 46(1) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and associates respectively that, to the best of their knowledge and belief, as disclosed in the Note 46(2) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associates as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 15(c) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

The subsidiaries and associates have not declared or paid any dividend during the year ended 31 March 2026;

- vi. As stated in Note 47 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and associates of the Holding Company which are companies incorporated in India and audited under the Act, except for matters mentioned below, the Holding Company, its subsidiaries and associates, in respect of financial year commencing on 1 April 2025, have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and associates did not come

across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, except for matters mentioned below, the audit trails have been preserved by the Holding Company, its subsidiaries and associates as per the statutory requirements for record retention from the date audit trail was enabled for the accounting software.

| Nature of exception noted                                                                                                                                                                                                        | Details of Exception                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software | <ul style="list-style-type: none"> <li>i) One of the subsidiary has used an accounting software for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility from 1 April 2025 to 10 June 2025.</li> <li>ii) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and a subsidiary.</li> </ul> |

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Lokesh Khemka**

Partner

Membership No.: 067878

UDIN: 26067878BBAFHK6726

Place: Bengaluru

Date: 26 May 2026



Annexure I

List of entities included in the Consolidated Financial Statements

| Sl. No. | Name of the Company                                                                           | Country of Incorporation | Subsidiary/ Associate |
|---------|-----------------------------------------------------------------------------------------------|--------------------------|-----------------------|
| 1       | Coretec Engineering India Private Limited                                                     | India                    | Subsidiary            |
| 2       | Grotek Enterprises Private Limited                                                            | India                    | Subsidiary            |
| 3       | Kolben Hydraulics Limited                                                                     | India                    | Subsidiary            |
| 4       | Sai India Limited                                                                             | India                    | Associate             |
| 5       | AEPL Grotek Renewable Energy Private limited (Associate of Grotek Enterprise Private Limited) | India                    | Associate             |



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

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 2026, we have audited the internal financial controls with reference to 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 financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. The audit of internal financial controls with reference to financial statements of one associate, which is a company covered under the Act, and reporting under Section 143(3) (i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
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 financial statements of the Holding Company, its subsidiary companies, and its associate company as aforesaid.

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

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



regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

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 and associate company, the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

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 ₹13,852,27 lakhs and net assets of ₹2,342.41 lakhs as at 31 March 2026, total revenues of ₹15,913.56 lakhs and net cash inflows amounting to ₹29.79 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 ₹60.89 lakhs for the year ended 31 March 2026, in respect of one associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, and associate company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

### For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

### Lokesh Khemka

Partner

Membership No.: 067878

UDIN: 26067878BBAFHK6726

Place: Bengaluru

Date: 26 May 2026

# Consolidated Balance Sheet as at March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                                | Note No. | As at March 31, 2026 | As at March 31, 2025 |
|--------------------------------------------------------------------------------------------|----------|----------------------|----------------------|
| <b>ASSETS</b>                                                                              |          |                      |                      |
| <b>Non-current assets</b>                                                                  |          |                      |                      |
| Property, plant and equipment                                                              | 3        | 26,637.09            | 22,953.58            |
| Right-of-use Assets                                                                        | 5        | 1,437.03             | 1,428.79             |
| Investment Property                                                                        | 3B       | 825.08               | 854.62               |
| Capital work-in-progress                                                                   | 3A       | 3,875.22             | 1,277.98             |
| Other intangible assets                                                                    | 4A       | 236.13               | 314.97               |
| Goodwill                                                                                   | 4B       | 257.87               | 257.87               |
| Investments accounted for using equity method                                              | 6        | 1,119.60             | 1,150.91             |
| Financial assets                                                                           |          |                      |                      |
| (i) Loans                                                                                  | 7        | 17.22                | 20.65                |
| (ii) Other financial assets                                                                | 8        | 304.71               | 226.71               |
| Non-current tax assets                                                                     | 14       | 317.75               | 300.28               |
| Deferred tax assets                                                                        | 36       | 93.55                | 156.68               |
| Other non-current assets                                                                   | 9        | 1,366.58             | 1,101.61             |
|                                                                                            |          | <b>36,487.83</b>     | <b>30,044.65</b>     |
| <b>Current assets</b>                                                                      |          |                      |                      |
| Inventories                                                                                | 10       | 11,707.57            | 9,353.93             |
| Financial assets                                                                           |          |                      |                      |
| (i) Trade receivables                                                                      | 11       | 11,881.83            | 11,635.03            |
| (ii) Cash and cash equivalents                                                             | 12       | 2,240.93             | 206.56               |
| (iii) Bank balances other than cash and cash equivalents                                   | 13       | 35.57                | 50.56                |
| (iv) Loans                                                                                 | 7        | 47.62                | 39.99                |
| (v) Other financial assets                                                                 | 8        | 65.29                | 147.60               |
| Other non-financial assets                                                                 | 9        | 1,055.88             | 963.96               |
|                                                                                            |          | <b>27,034.69</b>     | <b>22,397.64</b>     |
| <b>TOTAL ASSETS</b>                                                                        |          | <b>63,522.52</b>     | <b>52,442.29</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                      |                      |
| <b>EQUITY</b>                                                                              |          |                      |                      |
| (a) Equity share capital                                                                   | 15       | 1,358.40             | 1,300.00             |
| (b) Other equity                                                                           | 16       | 35,954.07            | 28,815.23            |
| <b>Equity attributable to equity holders of the parent</b>                                 |          | <b>37,312.47</b>     | <b>30,115.23</b>     |
| Non-Controlling Interest                                                                   |          | (2.81)               | 5.47                 |
|                                                                                            |          | <b>37,309.66</b>     | <b>30,120.70</b>     |
| <b>LIABILITIES</b>                                                                         |          |                      |                      |
| <b>Non-current liabilities</b>                                                             |          |                      |                      |
| Financial liabilities                                                                      |          |                      |                      |
| (i) Borrowings                                                                             | 17       | 2,799.99             | 606.08               |
| (ii) Lease Liabilities                                                                     | 18       | 975.20               | 955.33               |
| (iii) Other financial liabilities                                                          | 19       | 2.47                 | 7.41                 |
| Provisions                                                                                 | 20       | 442.61               | 366.51               |
| Deferred tax liabilities (net)                                                             | 36       | 1,241.19             | 1,074.80             |
|                                                                                            |          | <b>5,461.46</b>      | <b>3,010.13</b>      |
| <b>Current liabilities</b>                                                                 |          |                      |                      |
| Financial liabilities:                                                                     |          |                      |                      |
| (i) Borrowings                                                                             | 17       | 7,536.63             | 8,255.43             |
| (ii) Lease Liabilities                                                                     | 18       | 155.68               | 119.84               |
| (iii) Trade payables                                                                       | 21       |                      |                      |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |          | 2,242.51             | 1,569.32             |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 5,012.27             | 4,094.82             |
| (iv) Other financial liabilities                                                           | 19       | 4,584.40             | 4,190.04             |
| Provisions                                                                                 | 20       | 539.93               | 522.28               |
| Current tax liabilities                                                                    | 23       | 31.14                | -                    |
| Other current liabilities                                                                  | 22       | 648.84               | 559.73               |
|                                                                                            |          | <b>20,751.40</b>     | <b>19,311.46</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |          | <b>63,522.52</b>     | <b>52,442.29</b>     |
| Summary of material accounting policies and other material information                     | 2        |                      |                      |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

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

**Parabrahman Tadimalla**  
Director  
DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**  
Director  
DIN: 09505130

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

Bengaluru  
May 26, 2026

**H M Narasinga Rao**  
Chief Financial Officer

**Suhas H M**  
Company Secretary  
ACS : 75309

**Rakesh Kumar A**  
Chief Executive officer



## Consolidated Statement of Profit and Loss for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                             | Note No. | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------------------------------------|----------|------------------------------|------------------------------|
| <b>Income</b>                                                           |          |                              |                              |
| Revenue from operations                                                 | 24       | 46,217.32                    | 45,735.63                    |
| Other income                                                            | 25       | 401.15                       | 373.75                       |
| <b>Total income</b>                                                     |          | <b>46,618.47</b>             | <b>46,109.38</b>             |
| <b>Expenses</b>                                                         |          |                              |                              |
| Cost of materials consumed                                              | 26       | 19,663.66                    | 19,435.10                    |
| Purchases of stock-in-trade                                             | 27       | 1,740.53                     | 2,004.05                     |
| Changes in stock of finished goods, work-in-progress and stock-in-trade | 28       | (141.68)                     | (482.65)                     |
| Employee benefits expense                                               | 29       | 6,660.99                     | 6,326.96                     |
| Finance costs                                                           | 30       | 1,076.21                     | 1,039.89                     |
| Depreciation and amortisation expenses                                  | 31       | 2,133.60                     | 1,718.81                     |
| Other expenses                                                          | 32       | 13,241.81                    | 12,965.43                    |
| <b>Total expenses</b>                                                   |          | <b>44,375.12</b>             | <b>43,007.59</b>             |
| <b>Profit before share of profit from associates</b>                    |          | <b>2,243.35</b>              | <b>3,101.79</b>              |
| Share of profit/(loss) from associates                                  |          | (30.96)                      | 65.12                        |
| <b>Profit before tax</b>                                                |          | <b>2,212.39</b>              | <b>3,166.91</b>              |
| <b>Tax expense/(benefit)</b>                                            | 36       |                              |                              |
| (a) Current tax                                                         |          | 463.72                       | 306.68                       |
| (b) Current tax of earlier years                                        |          | 67.64                        | 316.95                       |
| (c) Deferred tax                                                        |          | 284.20                       | 405.59                       |
| (d) Deferred tax income relating to earlier years                       |          | (42.20)                      | (322.47)                     |
| <b>Total tax expense</b>                                                |          | <b>773.36</b>                | <b>706.75</b>                |
| <b>Profit for the year</b>                                              |          | <b>1,439.03</b>              | <b>2,460.16</b>              |
| <b>Total Net Profit attributable to:</b>                                |          |                              |                              |
| Profit attributable to owners of parent                                 |          | 1,447.31                     | 2,462.00                     |
| Loss attributable to non- controlling Interest                          |          | (8.28)                       | (1.84)                       |
| <b>Other comprehensive income</b>                                       |          |                              |                              |
| <b>Items that will not be reclassified to profit / (loss)</b>           |          |                              |                              |
| Remeasurement losses on defined benefit plan                            |          | (50.64)                      | (119.35)                     |
| Income tax effect on the above item                                     |          | 12.48                        | 17.00                        |
| <b>Other comprehensive loss net of tax</b>                              |          | <b>(38.16)</b>               | <b>(102.35)</b>              |
| <b>Total comprehensive income for the year</b>                          |          | <b>1,400.87</b>              | <b>2,357.81</b>              |
| Total comprehensive Income attributable to owners of the parent         |          | 1,409.16                     | 2,359.65                     |
| Total comprehensive loss attributable to non-controlling interest       |          | (8.28)                       | (1.84)                       |
| <b>Earnings per equity share (face value of ₹10 per share)</b>          |          |                              |                              |
| Basic                                                                   | 33       | 10.81                        | 18.94                        |
| Diluted                                                                 | 33       | 10.81                        | 18.94                        |
| Summary of material accounting policies and other material information  | 2        |                              |                              |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer

## Consolidated Statement of Cash Flows for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                                                   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A) Cash flow from operating activities</b>                                                                 |                              |                              |
| <b>Profit before tax</b>                                                                                      | 2,212.40                     | 3,166.91                     |
| Adjustments for:                                                                                              |                              |                              |
| Depreciation and amortisation                                                                                 | 1,933.61                     | 1,591.67                     |
| Depreciation on right-of-use assets                                                                           | 199.99                       | 127.14                       |
| Loss on sale of assets scrapped                                                                               | 0.92                         | 2.68                         |
| Net unrealised exchange (gain) / loss                                                                         | 11.38                        | (14.75)                      |
| Bad debts                                                                                                     | 38.93                        | 31.63                        |
| Interest expense                                                                                              | 1,076.21                     | 1,039.89                     |
| Provision for doubtful trade receivables / (written back)                                                     | (26.76)                      | 81.26                        |
| Provision for advances & other receivables                                                                    | -                            | 82.74                        |
| Interest income                                                                                               | (154.71)                     | (86.88)                      |
| Liabilities no longer required written back                                                                   | (6.66)                       | (26.68)                      |
| Share of net loss / (profit) of associate accounted for using the equity method                               | 30.96                        | (65.12)                      |
| Operating profit before working capital changes                                                               | 5,316.27                     | 5,930.49                     |
| Net changes in working capital                                                                                |                              |                              |
| Increase in inventories                                                                                       | (2,353.64)                   | (747.59)                     |
| Decrease / (Increase) in trade receivables                                                                    | (257.61)                     | 229.78                       |
| Decrease / (Increase) in loans                                                                                | (4.20)                       | 13.28                        |
| Decrease / (Increase) in other financial assets                                                               | 4.44                         | (194.69)                     |
| Decrease / (Increase) in non financial assets                                                                 | (72.73)                      | 533.68                       |
| Increase / (Decrease) in trade payables                                                                       | 1,584.56                     | (18.52)                      |
| Increase in other financial liabilities                                                                       | 301.20                       | 1,170.19                     |
| Increase in provisions                                                                                        | 43.11                        | 8.64                         |
| Increase / (Decrease) in non-financial liabilities                                                            | 89.11                        | (1,225.54)                   |
| <b>Cash generated from operations</b>                                                                         | <b>4,650.51</b>              | <b>5,699.72</b>              |
| Net income tax paid (net of refunds)                                                                          | (521.63)                     | (765.56)                     |
| <b>Net cash generated from operating activities (A)</b>                                                       | <b>4,128.88</b>              | <b>4,934.16</b>              |
| <b>B) Cash flow from investing activities</b>                                                                 |                              |                              |
| Purchase of property, plant and equipment , capital work in progress, investment property & intangible assets | (8,303.37)                   | (5,473.70)                   |
| Proceeds from sale of property, plant and equipment                                                           | -                            | 37.80                        |
| Investment in bank deposits (net)                                                                             | 14.99                        | 15.86                        |
| Interest received                                                                                             | 154.58                       | 88.98                        |
| Investment made in Associate                                                                                  | -                            | (268.92)                     |
| Proceeds from sale of investment in Associate                                                                 | -                            | 1.64                         |
| <b>Net cash used in investing activities (B)</b>                                                              | <b>(8,133.80)</b>            | <b>(5,598.34)</b>            |



## Consolidated Statement of Cash Flows for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

| Particulars                                                                 | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>C) Cash flow from financing activities</b>                               |                              |                              |
| Proceeds from issue of shares                                               | 5,991.84                     | -                            |
| Proceeds from long-term borrowings (Refer note 17)                          | 3,255.65                     | 892.50                       |
| Repayment of long-term borrowings (Refer note 17)                           | (887.71)                     | (1,015.50)                   |
| Proceeds from / (Repayments of) short term borrowings (net) (Refer note 17) | (892.83)                     | 1,291.17                     |
| Repayment of principal amount on lease liability                            | (149.14)                     | (103.23)                     |
| Repayment of interest amount on lease liability                             | (94.20)                      | (58.14)                      |
| Interest paid                                                               | (981.40)                     | (959.95)                     |
| Dividend paid                                                               | (202.92)                     | (193.67)                     |
| <b>Net cash (used in) / generated from financing activities (C)</b>         | <b>6,039.29</b>              | <b>(146.82)</b>              |
| <b>Net (Decrease) / Increase in cash and cash equivalents (A + B + C)</b>   | <b>2,034.37</b>              | <b>(811.00)</b>              |
| Cash and cash equivalents at the beginning of the year                      | 206.56                       | 1,017.56                     |
| <b>Cash and cash equivalents at the end of the year</b>                     | <b>2,240.93</b>              | <b>206.56</b>                |
| <b>Cash and cash equivalents comprises :</b>                                |                              |                              |
| Balances with banks                                                         |                              |                              |
| (i) In current account                                                      | 2,201.72                     | 202.29                       |
| (ii) In EEFC account                                                        | 36.84                        | 1.19                         |
| Cash on hand                                                                | 2.37                         | 3.08                         |
| Cash and cash equivalents as per Consolidated Balance Sheet                 | <b>2,240.93</b>              | <b>206.56</b>                |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru  
May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer

# Consolidated Statement of Changes in Equity for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## A. Equity share capital

| Particulars                                | Equity shares     |                 |
|--------------------------------------------|-------------------|-----------------|
|                                            | Number (in lakhs) | Amount          |
| <b>As at 01 April 2024</b>                 | <b>130.00</b>     | <b>1,300.00</b> |
| Add: Issued and subscribed during the year |                   |                 |
| <b>As at 31 March 2025</b>                 | <b>130.00</b>     | <b>1,300.00</b> |
| Add: Issued and subscribed during the year | 5.84              | 58.40           |
| <b>As at 31 March 2026</b>                 | <b>135.84</b>     | <b>1,358.40</b> |

## B. Other Equity

| Particulars                                       | Reserves and Surplus |                    |                                  |                   |                                       |                                              |                          | Total            |
|---------------------------------------------------|----------------------|--------------------|----------------------------------|-------------------|---------------------------------------|----------------------------------------------|--------------------------|------------------|
|                                                   | Capital reserve      | Securities Premium | Other reserves (General reserve) | Retained earnings | Remeasurement on defined benefit plan | Total equity before Non-controlling interest | Non controlling interest |                  |
| <b>Balance as at 01 April 2024</b>                | <b>42.41</b>         | <b>6,190.00</b>    | <b>596.08</b>                    | <b>19,888.81</b>  | <b>(66.72)</b>                        | <b>26,650.58</b>                             | <b>7.31</b>              | <b>26,657.89</b> |
| Profit for the year                               | -                    | -                  | -                                | 2,462.00          | -                                     | 2,462.00                                     | (1.84)                   | 2,460.16         |
| Items of the other comprehensive loss, net of tax | -                    | -                  | -                                | -                 | (102.35)                              | (102.35)                                     | -                        | (102.35)         |
| Dividend                                          | -                    | -                  | -                                | (195.00)          | -                                     | (195.00)                                     | -                        | (195.00)         |
| <b>Balance as at 31 March 2025</b>                | <b>42.41</b>         | <b>6,190.00</b>    | <b>596.08</b>                    | <b>22,155.81</b>  | <b>(169.07)</b>                       | <b>28,815.23</b>                             | <b>5.47</b>              | <b>28,820.70</b> |
| Profit for the year                               | -                    | -                  | -                                | 1,447.31          | -                                     | 1,447.31                                     | (8.28)                   | 1,439.03         |
| Items of the other comprehensive loss, net of tax | -                    | -                  | -                                | -                 | (38.16)                               | (38.16)                                      | -                        | (38.16)          |
| Issue of shares at premium                        | -                    | 5,933.44           | -                                | -                 | -                                     | 5,933.44                                     | -                        | 5,933.44         |
| Dividend                                          | -                    | -                  | -                                | (203.76)          | -                                     | (203.76)                                     | -                        | (203.76)         |
| <b>Balance as at 31 March 2026</b>                | <b>42.41</b>         | <b>12,123.44</b>   | <b>596.08</b>                    | <b>23,399.37</b>  | <b>(207.23)</b>                       | <b>35,954.07</b>                             | <b>(2.81)</b>            | <b>35,951.26</b> |

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

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru  
May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 1

#### Company Overview

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

### Note 2A

#### Basis of consolidation

- (i) The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:
- (ii) The financial statements of the subsidiaries, wholly owned subsidiaries and associates are drawn upto the same reporting date as that of the Group i.e. 31 March 2026.
- (iii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.

#### Non-controlling interest (NCI)

Non-Controlling Interest (NCI) in the equity and results of the entities that are controlled by the Company is shown as a separate item in the Consolidated Financial Statements. The interest of non-controlling shareholders may be initially measured either at fair value or at the non controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the noncontrolling interest having a deficit balance.

#### Investments accounted for using the equity method

Investments accounted for using the equity method are entities in respect of which, the Company has significant influence, but not control, over the financial and operating policies. Generally, a Company has significant influence if it holds between 20 and 50 percent of the voting power of another entity. Investments in such entities are accounted for using the equity method and are initially recognized at cost. The carrying amount of investment is increased/ decreased to recognize investors share of profit or loss of the investee after the acquisition date.

#### Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests (NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

The Details of subsidiaries and associates that have been considered in the preparation of the consolidated financial statements are as under-

| Name of the entities                         | Country of incorporation | Ownership interest (%) |                        |
|----------------------------------------------|--------------------------|------------------------|------------------------|
|                                              |                          | As on<br>31 March 2026 | As on<br>31 March 2025 |
| <b>Subsidiaries:</b>                         |                          |                        |                        |
| Coretec Engineering India Private Limited    | India                    | 100.00%                | 100.00%                |
| Grotek Enterprises Private Limited           | India                    | 100.00%                | 100.00%                |
| Kolben Hydraulics Limited                    | India                    | 95.03%                 | 95.03%                 |
| <b>Associates:</b>                           |                          |                        |                        |
| Sai India Limited                            | India                    | 40.00%                 | 40.00%                 |
| AEPL Grotek Renewable Energy Private Limited | India                    | 51.00%                 | 51.00%                 |

### (b) Statement of compliance

The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. The aforesaid consolidated financial statements have been approved by the Board of Directors in the meeting held on 26 May 2026.

### (c) Basis of accounting and preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial assets and liabilities (including derivative instruments), contingent consideration, defined benefit plans, share based payments and asset held for sale. Monetary amounts are expressed in Indian Rupees (INR) and are rounded to the nearest thousands, except for earnings per share.

These consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated. They have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as and when they fall due.

The consolidated financial statements of Yuken India Limited for the year ended 31 March 2026 were approved and authorised for issue by the board of directors on 26 May 2026.

## Note 2B

### Material accounting policy information

#### (a) Critical estimates and judgements

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

### Classification of leases

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

### Recognition of deferred tax assets

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

### Evaluation of indicators for impairment of assets

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

### Recoverability of advances / receivables

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

### Useful lives of depreciable / amortisable assets

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

### Defined benefit obligation (DBO)

The cost of the defined benefit plans and other long-term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered on long term basis for future periods after analysing past observable data on employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### (b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

### (c) Property, plant and equipment

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

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

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

| Asset Category                                 | Useful lives (in years) |
|------------------------------------------------|-------------------------|
| Buildings                                      | 30-60                   |
| Plant and machinery*                           | 3-15                    |
| Furniture and fixtures                         | 10                      |
| Motor vehicles                                 | 8-10                    |
| Jigs and fixtures*                             | 3-5                     |
| Office equipment and Electrical installations* | 5-21                    |

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

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

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

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

### (d) Investment property

#### Recognition and measurement

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

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

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

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

#### Depreciation

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### (e) Intangible assets

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

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

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

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

| Asset Category        | Useful lives (in years) |
|-----------------------|-------------------------|
| ERP software          | 5                       |
| Technical Fee         | 5                       |
| Intellectual Property | 5                       |
| Knowhow               | 5                       |

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

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

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

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

### (g) Revenue recognition

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Sale of goods

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

### Dividend income

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

### Interest income

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

### Rental income

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

### Training and other service income

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

### Duty drawback

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

### (h) Employee benefits

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

#### Defined contribution plan

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

#### Defined benefit plan

##### Gratuity

The liability recognised in the under provisions note in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The cost of providing benefit plan is determined using the projected unit credit method.

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

### Compensated absences

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

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

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

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

### Short-term employee benefits

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

### (i) Inventories

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

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

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

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### (j) Investments in associates

Investments representing equity interest in associates/ subsidiaries are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

### (k) Taxes on income

#### Current income tax

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

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

#### Deferred tax

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

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

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

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

### (l) Provisions and contingencies

#### Provisions

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

#### Contingent liabilities

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

# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## Contingent assets

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

## (m) Financial instruments

### Financial assets

#### Classification

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

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

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

#### Initial recognition and measurement

The Group initially recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets (excluding trade receivables) are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. Regular way of purchase and sale of financial assets are accounted for at trade date.

#### Trade Receivables

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

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

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

#### Subsequent measurement

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

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

#### i. Debt instruments at amortised cost

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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

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

### ii. *Debt instrument at FVTOCI*

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

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

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

### iii. *Debt instrument at FVTPL*

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 Group 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 Group 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### De-recognition of financial assets

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

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

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

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

### Financial liabilities

#### Initial recognition and measurement

The Group recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at a fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit or Loss.

### Loans and borrowings

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

### Financial guarantee contracts

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



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Derecognition of financial liabilities

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

### Offsetting of financial instruments

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

### (n) Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve-months ECL.

### (o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### (p) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management."

### (q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacturing hydraulic pumps and power units and other business (foundry), which constitutes multiple reportable segment.

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### (r) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group (after adjusting for interest on the convertible financial instruments, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### (s) Impairment of goodwill

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of an asset or a cash generating unit involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

### (t) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### (u) Leases

#### Group as a lessee

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

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

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

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

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

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

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

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 of 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.

### (v) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

#### Ind AS 21 - Lack of exchangeability

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, this specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Group has evaluated the amendment and there is no impact on its financial statements."

#### Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;
  - a) must have substance, and b) must exist at the end of the reporting period;
- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Group has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments:

Introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

The Group has evaluated the amendment and there is no impact on its financial statements.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Ind AS 12 - International Tax Reform - Pillar Two Model Rules

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12, Income Taxes, which includes:

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and
- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The Group has evaluated the amendment and there is no impact on its financial statements."

New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the company

### Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

The Group has evaluated the amendment and there is no impact on its financial statements."

# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## Note 3 - Property, plant and equipment

| Particulars                        | Freehold land   | Buildings        | Plant and machinery | Electrical installation | Furniture and fixtures | Office equipment | Jigs and fixtures | Motor vehicles | Total            |
|------------------------------------|-----------------|------------------|---------------------|-------------------------|------------------------|------------------|-------------------|----------------|------------------|
| <b>Gross carrying amount</b>       |                 |                  |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 01 April 2024</b> | <b>2,487.91</b> | <b>6,903.63</b>  | <b>11,853.33</b>    | <b>678.31</b>           | <b>590.85</b>          | <b>949.46</b>    | <b>1,154.34</b>   | <b>51.60</b>   | <b>24,669.43</b> |
| Additions                          | -               | 1,641.76         | 2,701.55            | 167.67                  | 220.54                 | 156.68           | 339.32            | 28.36          | 5,255.88         |
| Movement from Investment property  | -               | 670.47           | -                   | -                       | 241.40                 | -                | -                 | -              | 911.87           |
| Disposals                          | -               | -                | (123.49)            | (0.90)                  | (47.25)                | -                | (46.65)           | (19.65)        | (237.94)         |
| <b>Balance as at 31 March 2025</b> | <b>2,487.91</b> | <b>9,215.86</b>  | <b>14,431.39</b>    | <b>845.08</b>           | <b>1,005.54</b>        | <b>1,106.14</b>  | <b>1,447.01</b>   | <b>60.31</b>   | <b>30,599.24</b> |
| Additions                          | -               | 1,077.18         | 3,955.79            | 141.48                  | 154.44                 | 121.64           | 40.98             | -              | 5,491.51         |
| Disposals                          | -               | -                | (1.26)              | (15.76)                 | -                      | -                | -                 | -              | (17.02)          |
| <b>Balance as at 31 March 2026</b> | <b>2,487.91</b> | <b>10,293.04</b> | <b>18,385.92</b>    | <b>970.80</b>           | <b>1,159.98</b>        | <b>1,227.78</b>  | <b>1,487.99</b>   | <b>60.31</b>   | <b>36,073.73</b> |
| Accumulated depreciation           |                 |                  |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 01 April 2024</b> | -               | <b>1,350.59</b>  | <b>3,714.69</b>     | <b>211.90</b>           | <b>144.24</b>          | <b>538.31</b>    | <b>411.66</b>     | <b>24.70</b>   | <b>6,396.09</b>  |
| Depreciation for the year          | -               | 241.37           | 808.91              | 53.22                   | 87.13                  | 107.03           | 133.67            | 6.53           | 1,437.86         |
| Movement from Investment property  | -               | 11.34            | -                   | -                       | 17.52                  | -                | -                 | -              | 28.86            |
| Disposals                          | -               | -                | (112.85)            | (0.85)                  | (40.18)                | -                | (44.61)           | (18.66)        | (217.15)         |
| <b>Balance as at 31 March 2025</b> | -               | <b>1,603.30</b>  | <b>4,410.75</b>     | <b>264.27</b>           | <b>208.71</b>          | <b>645.34</b>    | <b>500.72</b>     | <b>12.57</b>   | <b>7,645.66</b>  |
| Depreciation for the year          | -               | 295.12           | 1,045.39            | 65.81                   | 103.69                 | 123.62           | 159.23            | 7.23           | 1,800.09         |
| Disposals                          | -               | -                | (0.88)              | (8.23)                  | -                      | -                | -                 | -              | (9.11)           |
| <b>Balance as at 31 March 2026</b> | -               | <b>1,898.42</b>  | <b>5,455.26</b>     | <b>321.85</b>           | <b>312.40</b>          | <b>768.96</b>    | <b>659.95</b>     | <b>19.80</b>   | <b>9,436.64</b>  |
| Net carrying amount                |                 |                  |                     |                         |                        |                  |                   |                |                  |
| <b>Balance as at 31 March 2025</b> | <b>2,487.91</b> | <b>7,612.56</b>  | <b>10,020.64</b>    | <b>580.81</b>           | <b>796.83</b>          | <b>460.80</b>    | <b>946.29</b>     | <b>47.74</b>   | <b>22,953.58</b> |
| <b>Balance as at 31 March 2026</b> | <b>2,487.91</b> | <b>8,394.62</b>  | <b>12,930.66</b>    | <b>648.95</b>           | <b>847.58</b>          | <b>458.82</b>    | <b>828.04</b>     | <b>40.51</b>   | <b>26,637.09</b> |

Note:

(a) Contractual obligations / Commitments

Refer note 34 (b)

(b) Property, plant and equipment pledged as security

Details of properties pledged are as per Note 17.

(c) Title deeds of the various freehold lands held by the Company and its subsidiaries are in the name of the Company and its subsidiaries.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3A - Capital work-in-progress

| Particulars                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------|-------------------------|-------------------------|
| Opening balance                   | 1,277.98                | 1,974.75                |
| Add: Additions during the year    | 8,088.75                | 4,276.20                |
| Less: Capitalised during the year | (5,491.51)              | (4,972.97)              |
| <b>Closing balance</b>            | <b>3,875.22</b>         | <b>1,277.98</b>         |

### Capital work in progress ageing schedule

| Particulars                | Amount in Capital work in progress for a period of |               |              |                      | Total           |
|----------------------------|----------------------------------------------------|---------------|--------------|----------------------|-----------------|
|                            | Less than<br>1 year                                | 1-2 years     | 2-3<br>years | More than<br>3 years |                 |
| <b>As at 31 March 2026</b> |                                                    |               |              |                      |                 |
| Projects in progress       | 3,266.69                                           | 605.75        | 2.78         | -                    | <b>3,875.22</b> |
|                            | <b>3,266.69</b>                                    | <b>605.75</b> | <b>2.78</b>  | -                    | <b>3,875.22</b> |
| <b>As at 31 March 2025</b> |                                                    |               |              |                      |                 |
| Projects in progress       | 1,185.69                                           | 92.29         | -            | -                    | <b>1,277.98</b> |
|                            | <b>1,185.69</b>                                    | <b>92.29</b>  | -            | -                    | <b>1,277.98</b> |

Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan of Coretec Engineering India Private Limited and Grotek Enterprises Private Limited:

| Particulars                     | To be completed in  |           |              |                      | Total         |
|---------------------------------|---------------------|-----------|--------------|----------------------|---------------|
|                                 | Less than<br>1 year | 1-2 years | 2-3<br>years | More than<br>3 years |               |
| <b>As at 31 March 2026</b>      |                     |           |              |                      |               |
| <b>(i) Projects in progress</b> |                     |           |              |                      |               |
| HWS Moulding Line-3             | 649.70              | -         | -            | -                    | <b>649.70</b> |
| New Shed in Line 3              | 205.63              | -         | -            | -                    | <b>205.63</b> |
| Others                          | 83.28               | -         | -            | -                    | <b>83.28</b>  |
|                                 | <b>938.61</b>       | -         | -            | -                    | <b>938.61</b> |
| <b>As at 31 March 2025</b>      |                     |           |              |                      |               |
| <b>(i) Projects in progress</b> |                     |           |              |                      |               |
| HWS Moulding Line-3             | 555.47              | -         | -            | -                    | <b>555.47</b> |
| Cooling Tower Malur             | 49.11               | -         | -            | -                    | <b>49.11</b>  |
| 500 KVA DG SET                  | 35.48               | -         | -            | -                    | <b>35.48</b>  |
| Others                          | 47.49               | -         | -            | -                    | <b>47.49</b>  |
|                                 | <b>687.55</b>       | -         | -            | -                    | <b>687.55</b> |

(A) There are no projects that have been suspended as on 31 March 2026 and 31 March 2025.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 3B - Investment Property

| Particulars                             | Buildings       | Total           |
|-----------------------------------------|-----------------|-----------------|
| <b>Gross carrying amount</b>            |                 |                 |
| <b>Balance as at 01 April 2024</b>      | <b>1,826.37</b> | <b>1,826.37</b> |
| Additions                               | -               | -               |
| Moved to property, plant and equipment* | (911.87)        | (911.87)        |
| Disposals                               | -               | -               |
| <b>Balance as at 31 March 2025</b>      | <b>914.50</b>   | <b>914.50</b>   |
| Additions                               | -               | -               |
| Disposals                               | -               | -               |
| <b>Balance as at 31 March 2026</b>      | <b>914.50</b>   | <b>914.50</b>   |
| <b>Accumulated depreciation</b>         |                 |                 |
| <b>Balance as at 01 April 2024</b>      | 59.36           | 59.36           |
| Depreciation for the year               | 29.38           | 29.38           |
| Moved to property, plant and equipment* | (28.86)         | (28.86)         |
| Disposals                               | -               | -               |
| <b>Balance as at 31 March 2025</b>      | <b>59.88</b>    | <b>59.88</b>    |
| Depreciation for the year               | 29.54           | 29.54           |
| Disposals                               | -               | -               |
| <b>Balance as at 31 March 2026</b>      | <b>89.42</b>    | <b>89.42</b>    |
| <b>Net carrying amount</b>              |                 |                 |
| <b>Balance as at 31 March 2025</b>      | <b>854.62</b>   | <b>854.62</b>   |
| <b>Balance as at 31 March 2026</b>      | <b>825.08</b>   | <b>825.08</b>   |

The fair value of investment property is ₹1,219.69 (31 March 2025: ₹975.75) as determined by an external independent registered valuer defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 fair value based on the valuation technique used. The valuation technique used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes an asset that has been sub-leased, rental income of ₹54.90 (31 March 2025: ₹50.64) has been recognised in the Statement of Profit and Loss (rental income - Refer Note 25)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

\* The Company has reclassified a portion of Investment property to Property, plant and equipment as the Company uses the portion of these properties for self-use

### Note 4A - Intangible assets

| Particulars                        | ERP software  | Technical fee | Intellectual property | Know how     | Total         |
|------------------------------------|---------------|---------------|-----------------------|--------------|---------------|
| <b>Gross carrying amount</b>       |               |               |                       |              |               |
| <b>Balance as at 01 April 2024</b> | <b>453.55</b> | <b>29.06</b>  | <b>409.51</b>         | <b>49.09</b> | <b>941.21</b> |
| Additions                          | 138.84        | -             | -                     | -            | 138.84        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4 - Intangible assets (contd.)

| Particulars                        | ERP software  | Technical fee | Intellectual property | Know how     | Total           |
|------------------------------------|---------------|---------------|-----------------------|--------------|-----------------|
| Disposals                          | -             | -             | -                     | -            | -               |
| <b>Balance as at 31 March 2025</b> | <b>592.39</b> | <b>29.06</b>  | <b>409.51</b>         | <b>49.09</b> | <b>1,080.05</b> |
| Additions                          | 25.14         | -             | -                     | -            | 25.14           |
| Disposals                          | -             | -             | -                     | -            | -               |
| <b>Balance as at 31 March 2026</b> | <b>617.53</b> | <b>29.06</b>  | <b>409.51</b>         | <b>49.09</b> | <b>1,105.19</b> |
| Accumulated amortisation           |               |               |                       |              |                 |
| <b>Balance as at 01 April 2024</b> | <b>313.92</b> | <b>14.00</b>  | <b>288.59</b>         | <b>24.15</b> | <b>640.66</b>   |
| Amortisation for the year          | 61.03         | -             | 58.39                 | 5.00         | 124.42          |
| Disposals                          | -             | -             | -                     | -            | -               |
| <b>Balance as at 31 March 2025</b> | <b>374.95</b> | <b>14.00</b>  | <b>346.98</b>         | <b>29.15</b> | <b>765.08</b>   |
| Amortisation for the year          | 71.43         | -             | 27.55                 | 5.00         | 103.98          |
| Disposals                          | -             | -             | -                     | -            | -               |
| <b>Balance as at 31 March 2026</b> | <b>446.38</b> | <b>14.00</b>  | <b>374.53</b>         | <b>34.15</b> | <b>869.06</b>   |
| <b>Net carrying amount</b>         |               |               |                       |              |                 |
| <b>Balance as at 31 March 2025</b> | <b>217.44</b> | <b>15.06</b>  | <b>62.53</b>          | <b>19.94</b> | <b>314.97</b>   |
| <b>Balance as at 31 March 2026</b> | <b>171.15</b> | <b>15.06</b>  | <b>34.98</b>          | <b>14.94</b> | <b>236.13</b>   |

### Note 4B Goodwill

| Particulars                        | Goodwill      | Total         |
|------------------------------------|---------------|---------------|
| <b>Balance as at 01 April 2024</b> | <b>257.87</b> | <b>257.87</b> |
| Additions                          | -             | -             |
| Disposals                          | -             | -             |
| <b>Balance as at 31 March 2025</b> | <b>257.87</b> | <b>257.87</b> |
| Additions                          | -             | -             |
| Disposals                          | -             | -             |
| <b>Balance as at 31 March 2026</b> | <b>257.87</b> | <b>257.87</b> |

#### Note:

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets / entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purpose.

The recoverable value of the CGU is determined on the basis of 'value in use'. The Group determined value in use using the discounted future cash flow approach. This is based on financial budgets approved by management covering a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated capitalisation rates.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 4 - Intangible assets (contd.)

The key assumptions used for the calculations are as follows:

- Discount rate: 15.62% to 15.83% (31 March 2025: 15.01% to 15.43%)
- Average long term growth rate: 5% (31 March 2025: 5%)
- Estimated cash flow of 5 years based on formal/ approved internal management budgets with extrapolation for the remaining period.

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at 31 March 2026, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

The allocation of goodwill to operating segments as at 31 March 2026 and 31 March 2025 is as follows:

| Particulars        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------|-------------------------|-------------------------|
| Foundry business   | 165.30                  | 165.30                  |
| Hydraulic business | 92.57                   | 92.57                   |

### Note 5 - Right-of-use assets

| Particulars                        | ERP software  | Technical fee | Intellectual<br>property | Know how      | Total           |
|------------------------------------|---------------|---------------|--------------------------|---------------|-----------------|
| <b>Gross carrying amount</b>       |               |               |                          |               |                 |
| <b>Balance as at 01 April 2024</b> | -             | -             | <b>86.84</b>             | <b>232.00</b> | <b>318.84</b>   |
| Additions                          | 369.11        | 851.24        | 133.21                   | 69.92         | 1,423.48        |
| Disposals                          | -             | -             | -                        | -             | -               |
| <b>Balance as at 31 March 2025</b> | <b>369.11</b> | <b>851.24</b> | <b>220.05</b>            | <b>301.92</b> | <b>1,742.32</b> |
| Additions                          | -             | 71.72         | -                        | 136.51        | 208.23          |
| Disposals                          | -             | -             | -                        | -             | -               |
| <b>Balance as at 31 March 2026</b> | <b>369.11</b> | <b>922.96</b> | <b>220.05</b>            | <b>438.43</b> | <b>1,950.55</b> |
| <b>Accumulated Amortisation</b>    |               |               |                          |               |                 |
| <b>Balance as at 01 April 2024</b> | -             | -             | <b>85.41</b>             | <b>100.98</b> | <b>186.39</b>   |
| Amortisation for the year          | -             | 46.11         | 20.42                    | 60.61         | 127.14          |
| <b>Disposals</b>                   | -             | -             | -                        | -             | -               |
| <b>Balance as at 31 March 2025</b> | -             | <b>46.11</b>  | <b>105.83</b>            | <b>161.59</b> | <b>313.53</b>   |
| Amortisation for the year          | -             | 101.27        | 25.31                    | 73.41         | 199.99          |
| Disposals                          | -             | -             | -                        | -             | -               |
| <b>Balance as at 31 March 2026</b> | -             | <b>147.38</b> | <b>131.14</b>            | <b>235.00</b> | <b>513.52</b>   |
| <b>Net carrying amount</b>         |               |               |                          |               |                 |
| <b>Balance as at 31 March 2025</b> | <b>369.11</b> | <b>805.13</b> | <b>114.22</b>            | <b>140.33</b> | <b>1,428.79</b> |
| <b>Balance as at 31 March 2026</b> | <b>369.11</b> | <b>775.58</b> | <b>88.91</b>             | <b>203.43</b> | <b>1,437.03</b> |

**Note:**

**Lease liabilities:** Refer note 18.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 6 - Investments

| Particulars                                                                           | Face value | As at 31 March 2026 |                 | As at 31 March 2025 |                 |
|---------------------------------------------------------------------------------------|------------|---------------------|-----------------|---------------------|-----------------|
|                                                                                       |            | No of Shares        | Amount          | No of Shares        | Amount          |
| <b>Investment in associates accounted for using the equity method (Refer note 44)</b> |            |                     |                 |                     |                 |
| Sai India Limited                                                                     | 10         | 3,60,000            | 674.91          | 3,60,000            | 614.09          |
| AEPL Grotek Renewable Energy Private Limited                                          | 10         | 54,90,000           | 442.31          | 54,90,000           | 534.44          |
| <b>Extent of Investment in associates</b>                                             |            |                     |                 |                     |                 |
| Sai India Limited                                                                     |            |                     | 40.00%          |                     | 40.00%          |
| AEPL Grotek Renewable Energy Private Limited                                          |            |                     | 51.00%          |                     | 51.00%          |
| <b>Investments measured at fair value through OCI</b>                                 |            |                     |                 |                     |                 |
| Bourton Consulting (India) Private Limited (Refer Note(C))                            | 10         | 23,800              | 2.38            | 23,800              | 2.38            |
| Hycom Engineering (India) Private Limited (Refer note (C))                            | 10         | 9,41,330            | 94.13           | 9,41,330            | 94.13           |
| The Shamrao Vittal Co-operative Bank Limited (Refer note (C))                         | 10         | 2,000               | 0.50            | 2,000               | 0.50            |
| Less : Provision for other than temporary diminution in value                         |            |                     | (94.63)         |                     | (94.63)         |
|                                                                                       |            |                     | <b>1,119.60</b> |                     | <b>1,150.91</b> |

#### Notes

- (A) Aggregate value of unquoted investments 1,214.23 1,245.54
- (B) Aggregate value of impairment recorded 94.63 94.63
- (C) The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading. .

### Note 7 - Loans

| Particulars                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                  |                         |                         |
| <i>(Unsecured, considered good)</i> |                         |                         |
| Loan to employees                   | 17.22                   | 20.65                   |
|                                     | <b>17.22</b>            | <b>20.65</b>            |
| <b>Current</b>                      |                         |                         |
| <i>(Unsecured, considered good)</i> |                         |                         |
| Loan to employees                   | 47.62                   | 39.99                   |
|                                     | <b>47.62</b>            | <b>39.99</b>            |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 8 - Other financial assets

| Particulars                               | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                        |                         |                         |
| <i>(Unsecured, considered good)</i>       |                         |                         |
| Security deposits                         | 296.67                  | 217.20                  |
| Balance held as margin money              | 8.04                    | 9.51                    |
| <i>(Unsecured, considered doubtful)</i>   |                         |                         |
| Other receivables                         | 57.16                   | 57.16                   |
| Less: Allowances for doubtful receivables | (57.16)                 | (57.16)                 |
|                                           | <b>304.71</b>           | <b>226.71</b>           |
| <b>Current</b>                            |                         |                         |
| <i>(Unsecured, considered good)</i>       |                         |                         |
| Security deposits                         | 45.62                   | 119.45                  |
| Interest accrued on deposits              | 14.76                   | 14.63                   |
| Other receivables                         | 4.91                    | 13.52                   |
|                                           | <b>65.29</b>            | <b>147.60</b>           |

#### Note:

##### (a) Balance held as margin money

Margin money is paid against performance guarantee provided by the bank to customers against the time period of the PO and can be encashed by the customer on non-performance of the contractual obligation. The Company cannot use the margin money until there is performance of the contractual obligation.

### Note 9 - Other assets

| Particulars                                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                             |                         |                         |
| <i>(Unsecured, considered good)</i>            |                         |                         |
| Prepaid expenses                               | 35.44                   | 53.85                   |
| Deferred loan discounting                      | -                       | 0.77                    |
| Capital advances                               | 1,331.14                | 1,046.99                |
| <i>(Unsecured, considered doubtful)</i>        |                         |                         |
| Capital advances                               | 25.58                   | 25.58                   |
| Less: Allowances for doubtful capital advances | (25.58)                 | (25.58)                 |
|                                                | <b>1,366.58</b>         | <b>1,101.61</b>         |
| <b>Current</b>                                 |                         |                         |
| <i>(Unsecured, considered good)</i>            |                         |                         |
| Prepaid expenses                               | 263.35                  | 401.93                  |
| Deferred loan discounting                      | -                       | 1.59                    |
| Advance to related parties (refer note 41)     | 96.50                   | -                       |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 9 - Other assets (contd.)

| Particulars                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------|-------------------------|-------------------------|
| Advance to suppliers                 | 534.51                  | 375.85                  |
| Duty drawback receivable             | 4.48                    | 4.48                    |
| Balances with government authorities | 154.64                  | 162.00                  |
| Others                               | 2.40                    | 18.11                   |
|                                      | <b>1,055.88</b>         | <b>963.96</b>           |

### Note 10 - Inventories

| Particulars                                                                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <i>(Lower of cost and net realisable value)</i>                                                         |                         |                         |
| Raw materials and components (includes goods in transit amounting to ₹1218.69 (31 March 2025: ₹227.60)) | 6,548.08                | 4,336.12                |
| Work-in-progress                                                                                        | 2,271.67                | 1,972.83                |
| Finished goods (other than those acquired for trading)                                                  | 2,616.66                | 2,664.69                |
| Stock-in-trade                                                                                          | 271.16                  | 380.29                  |
|                                                                                                         | <b>11,707.57</b>        | <b>9,353.93</b>         |

#### Note :

- The Group has recorded inventory at lower of cost and net realisable value.
- Write-downs of inventories on account of slow moving and obsolete items amounted to ₹220.69 (31 March 2025: ₹53.09)

### Note 11 - Trade receivables

| Particulars                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------|-------------------------|-------------------------|
| Trade receivable considered good - unsecured | 11,881.83               | 11,635.03               |
| Trade receivables - credit impaired          | 352.80                  | 379.56                  |
|                                              | <b>12,234.63</b>        | <b>12,014.59</b>        |
| Less: Allowance for credit loss              | 352.80                  | 379.56                  |
|                                              | <b>11,881.83</b>        | <b>11,635.03</b>        |

The credit period given to the customer ranges from 0 to 120 days.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 11 - Trade receivables (contd.)

#### Trade receivables ageing schedule

| Particulars                                    | Outstanding for following periods from due date of payment |                   |               |               |                   | Total            |
|------------------------------------------------|------------------------------------------------------------|-------------------|---------------|---------------|-------------------|------------------|
|                                                | Less than 6 months                                         | 6 months - 1 year | 1-2 years     | 2-3 years     | More than 3 years |                  |
| <b>As at 31 March 2026</b>                     |                                                            |                   |               |               |                   |                  |
| Undisputed Trade receivables - considered good | 11,191.60                                                  | 354.77            | 104.02        | 127.51        | 103.93            | 11,881.83        |
| Undisputed trade receivables - credit impaired | -                                                          | 14.08             | 27.76         | 45.33         | 265.63            | 352.80           |
|                                                | <b>11,191.60</b>                                           | <b>368.85</b>     | <b>131.78</b> | <b>172.84</b> | <b>369.56</b>     | <b>12,234.63</b> |
| <b>As at 31 March 2025</b>                     |                                                            |                   |               |               |                   |                  |
| Undisputed Trade receivables - considered good | 10,720.81                                                  | 404.71            | 386.08        | 115.70        | 7.73              | 11,635.03        |
| Undisputed trade receivables - credit impaired | -                                                          | 43.05             | 24.85         | 59.66         | 252.00            | 379.56           |
|                                                | <b>10,720.81</b>                                           | <b>447.76</b>     | <b>410.93</b> | <b>175.36</b> | <b>259.73</b>     | <b>12,014.59</b> |

### Note 12 - Cash and cash equivalents

| Particulars            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------|-------------------------|-------------------------|
| Cash on hand           | 2.37                    | 3.08                    |
| Balances with banks    |                         |                         |
| (i) In current account | 2,201.72                | 202.29                  |
| (ii) In EEFC account   | 36.84                   | 1.19                    |
|                        | <b>2,240.93</b>         | 206.56                  |

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

### Note 13 - Bank balances other than cash and cash equivalents

| Particulars                                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                                       |                         |                         |
| In earmarked accounts                                |                         |                         |
| (i) Unpaid dividend accounts                         | 8.57                    | 7.72                    |
| (ii) Unspent CSR accounts                            | -                       | 6.39                    |
| (iii) Balance held as margin money (Refer Note 8(a)) | 27.00                   | 36.45                   |
|                                                      | <b>35.57</b>            | <b>50.56</b>            |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 14 - Tax assets

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                    |                         |                         |
| Income tax (net of provision for tax) | 317.75                  | 300.28                  |
|                                       | <b>317.75</b>           | <b>300.28</b>           |

### Note 15- Equity share capital

| Particulars                                       | As at 31 March 2026 |                 | As at 31 March 2025 |                 |
|---------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                   | No of Shares        | Amount          | No of Shares        | Amount          |
| <b>Authorised share capital</b>                   |                     |                 |                     |                 |
| Equity shares of ₹10 each                         | 1,70,00,000         | 1,700.00        | 1,50,00,000         | 1,500.00        |
|                                                   | <b>1,70,00,000</b>  | <b>1,700.00</b> | <b>1,50,00,000</b>  | <b>1,500.00</b> |
| <b>Issued, subscribed and fully paid up</b>       |                     |                 |                     |                 |
| Equity shares of ₹10 each                         | 1,35,84,000         | 1,358.40        | 1,30,00,000         | 1,300.00        |
|                                                   | <b>1,35,84,000</b>  | <b>1,358.40</b> | <b>1,30,00,000</b>  | <b>1,300.00</b> |
| <b>(a) Reconciliation of the number of shares</b> |                     |                 |                     |                 |
| Equity shares of ₹10 each, par value              |                     |                 |                     |                 |
| Balance as at the beginning of the year           | 1,30,00,000         | 1,300.00        | 1,30,00,000         | 1,300.00        |
| Add: Issued and subscribed during the year        | 5,84,000            | 58.40           | -                   | -               |
| <b>Balance at the end of the year</b>             | <b>1,35,84,000</b>  | <b>1,358.40</b> | <b>1,30,00,000</b>  | <b>1,300.00</b> |

**Note:** As per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company has issued and allotted fully paid-up 5,84,000 equity shares of ₹10 each (at a premium of ₹1,016 per share) on preferential basis to Yuken Kogyo Company Limited (Promoter of the Company) on 31 July 2025.

#### (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 of the Holding Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (c) The Board of Directors, in its meeting held on 26 May 2026, proposed a final dividend of 15% (₹1.5 per equity share) for the financial year ended 31 March 2026. 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 ₹203.76.

#### (d) Details of shareholders holding more than 5% shares

| Particulars                                       | As at 31 March 2026 |            | As at 31 March 2025 |            |
|---------------------------------------------------|---------------------|------------|---------------------|------------|
|                                                   | Number              | Percentage | Number              | Percentage |
| <b>Equity shares of ₹10 each, par value</b>       |                     |            |                     |            |
| Yuken Kogyo Co. Limited                           | 63,84,000           | 47.00%     | 58,00,000           | 44.62%     |
| Benefic Investments & Finance Co. Private Limited | 13,91,808           | 10.25%     | 13,91,808           | 10.71%     |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 15- Equity share capital (contd.)

#### (e) Disclosure of Shareholding of Promoters

| Promoter Name                                        | No of Shares     | % Of total shares | % Change during the Year |
|------------------------------------------------------|------------------|-------------------|--------------------------|
| <b>As at 31 March 2026:</b>                          |                  |                   |                          |
| 1. Yuken Kogyo Co. Limited                           | 63,84,000        | 47.00%            | 10.07%                   |
| 2. Benefic Investments & Finance Co. Private Limited | 13,91,808        | 10.25%            | 0.00%                    |
| 3. C P Rangachar                                     | 84,400           | 0.62%             | 0.00%                    |
| 4. Vidya Rangachar                                   | 16,000           | 0.12%             | 0.00%                    |
| 5. Madhuri Rangachar                                 | 8,000            | 0.06%             | 0.00%                    |
|                                                      | <b>78,84,208</b> | <b>58.04%</b>     | <b>10.07%</b>            |
| <b>As at 31 March 2025:</b>                          |                  |                   |                          |
| 1. Yuken Kogyo Co. Limited                           | 58,00,000        | 44.62%            | 0.00%                    |
| 2. Benefic Investments & Finance Co. Private Limited | 13,91,808        | 10.71%            | 0.00%                    |
| 3. C P Rangachar                                     | 84,400           | 0.65%             | 0.00%                    |
| 4. Vidya Rangachar                                   | 16,000           | 0.12%             | 0.00%                    |
| 5. Madhuri Rangachar                                 | 8,000            | 0.06%             | 0.00%                    |
|                                                      | <b>73,00,208</b> | <b>56.16%</b>     | <b>0.00%</b>             |

### Note 16 - Other equity

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| General reserve                       | 596.08                  | 596.08                  |
| Retained earnings                     | 23,399.37               | 22,155.81               |
| Remeasurement on defined benefit plan | (207.23)                | (169.07)                |
| Capital reserve                       | 42.41                   | 42.41                   |
| Securities Premium                    | 12,123.44               | 6,190.00                |
|                                       | <b>35,954.07</b>        | <b>28,815.23</b>        |

#### (i) General reserve:

General reserve represents appropriation of profits..

#### (ii) Retained earnings:

All the profits made or losses incurred by the Group are transferred to Retained earnings from the Statement of Profit and Loss.

#### (iii) Capital Reserve:

Reserves transferred when the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration payable for such acquisition

#### (iv) Securities Premium:

The securities premium represents issue price of equity shares above its face value.





## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings

| Particulars                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                |                         |                         |
| <i>(Secured)</i>                                  |                         |                         |
| Term loans from banks                             | 3,796.22                | 1,428.34                |
|                                                   | <b>3,796.22</b>         | <b>1,428.34</b>         |
| Less:- Current maturities of long-term borrowings | 613.68                  | 519.06                  |
|                                                   | <b>2,250.17</b>         | <b>-</b>                |
| <b>Current</b>                                    |                         |                         |
| <i>(Secured)</i>                                  |                         |                         |
| Loans repayable on demand from banks              | 4,840.40                | 6,633.17                |
| Current maturities of long-term debt              | 996.23                  | 822.26                  |
| <i>(Unsecured)</i>                                |                         |                         |
| Working capital demand loans from banks           | 1,700.00                | 800.00                  |
|                                                   | <b>7,536.63</b>         | <b>8,255.43</b>         |

#### (A) Details of limit, repayment, rate of interest, guarantee and security

##### (1) Secured borrowings

###### (a) Term loans from banks

| Particulars                                                                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(i) Mizuho Bank Limited</b>                                                        |                         |                         |
| Loan limit                                                                            | -                       | 2,500.00                |
| Loan availed                                                                          | -                       | 1,974.62                |
| Amount outstanding                                                                    | -                       | 519.06                  |
| Repayable in 15 quarterly instalments with 1 year moratorium                          |                         |                         |
| Interest rate - MCLR rates                                                            |                         |                         |
| <b>Security Details for the term loans taken from Mizuho Bank Limited:</b>            |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹2,500.              |                         |                         |
| <b>(ii) Mizuho Bank Limited</b>                                                       |                         |                         |
| Loan limit                                                                            | 3,000.00                | -                       |
| Loan availed                                                                          | 2,863.85                | -                       |
| Amount outstanding                                                                    | 2,863.85                | -                       |
| Repayable in 14 quarterly instalments with 1 year moratorium                          |                         |                         |
| Interest rate - MCLR rates                                                            |                         |                         |
| <b>Security Details for the term loans taken from Mizuho Bank Limited:</b>            |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.              |                         |                         |
| <b>(iii) Sumitomo Mitsui Banking Corporation (Grotek Enterprises Private Limited)</b> |                         |                         |
| Loan limit                                                                            | 1,600.00                | 1,000.00                |
| Loan availed                                                                          | 1,391.79                | 1,000.00                |
| Amount outstanding                                                                    | 932.37                  | 909.28                  |
| Repayable in 16 quarterly instalments years with 1 year moratorium                    |                         |                         |
| Interest rate - MCLR rates                                                            |                         |                         |
| <b>Security Details for the term loans taken from Mizuho Bank Limited:</b>            |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.              |                         |                         |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

#### Compliance with Covenant

The term loan is also subject to a general covenant, wherein the group needs to submit the Audited annual accounts within six month from the close the financial year. The Group expects to comply this covenant after reporting date.

#### (b) Secured working capital loans from banks

| Particulars                                                                                                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(i) Mizuho Bank Limited</b>                                                                                               |                         |                         |
| Loan limit                                                                                                                   | 3,000.00                | 3,000.00                |
| Amount outstanding                                                                                                           | 2,000.00                | 2,500.00                |
| Amount outstanding                                                                                                           |                         |                         |
| Interest rate - MCLR rates                                                                                                   |                         |                         |
| <b>Details of security given</b>                                                                                             |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹3,000.                                                     |                         |                         |
| <b>(ii) HDFC Bank Limited</b>                                                                                                |                         |                         |
| Loan limit                                                                                                                   | 1,200.00                | 1,200.00                |
| Amount outstanding                                                                                                           | 134.92                  | -                       |
| Repayable on demand                                                                                                          |                         |                         |
| Interest rate - MCLR rates                                                                                                   |                         |                         |
| <b>Details of security given</b>                                                                                             |                         |                         |
| First pari pasu charge on stocks, book debts and other current assets with SBI Bank                                          |                         |                         |
| First charge by way of extension of mortgage of factory land and building located in Hedegabanahalli Village, Malur.         |                         |                         |
| Exclusive charge by way of equitable mortgage on land and building located in Koppathimmanahalli Village, Malur.             |                         |                         |
| First charge on all movable fixed assets of the company - first paripassu charge with SBI Bank                               |                         |                         |
| <b>(iii) State Bank of India (SBI)</b>                                                                                       |                         |                         |
| Loan limit                                                                                                                   | 150.00                  | 150.00                  |
| Amount outstanding                                                                                                           | 15.81                   | -                       |
| Repayable on demand                                                                                                          |                         |                         |
| Interest rate - MCLR rates                                                                                                   |                         |                         |
| <b>Details of security given</b>                                                                                             |                         |                         |
| (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                                                                |                         |                         |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

| Particulars                                                                                                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(iv) Sumitomo Mitsui Banking Corporation(SMBC)</b>                                                          |                         |                         |
| Loan limit                                                                                                     | 5,000.00                | 5,000.00                |
| Amount outstanding                                                                                             | 900.00                  | 2,600.00                |
| Repayable on demand                                                                                            |                         |                         |
| Interest rate - MCLR rates                                                                                     |                         |                         |
| <b>Details of security given</b>                                                                               |                         |                         |
| Corporate Guarantee given by Yuken Kogyo Co Limited amounting to ₹5,000.                                       |                         |                         |
| <b>(v) HDFC Bank Limited (Grotek Enterprises Private Limited)</b>                                              |                         |                         |
| Loan limit                                                                                                     | 480.00                  | 480.00                  |
| Amount outstanding                                                                                             | 378.26                  | 357.06                  |
| Repayable on demand                                                                                            |                         |                         |
| Interest rate - 11.9%                                                                                          |                         |                         |
| <b>Details of security given</b>                                                                               |                         |                         |
| (i) Primary : First charge on fixed assets, stock and book debts of the company.                               |                         |                         |
| (ii) Secondary : Corporate guarantee given by Yuken India Limited                                              |                         |                         |
| <b>(vi) Sumitomo Mitsui Banking Corporation (Grotek Enterprises Private Limited)</b>                           |                         |                         |
| Loan limit                                                                                                     | 1,000.00                | 1,000.00                |
| Amount outstanding                                                                                             | 700.00                  | 500.00                  |
| Repayable on demand                                                                                            |                         |                         |
| Interest rate - 7% to 9%                                                                                       |                         |                         |
| <b>Details of security given</b>                                                                               |                         |                         |
| Letter of Guarantee from Yuken India Limited                                                                   |                         |                         |
| <b>(vii) HDFC Bank Limited (Coretec Engineering India Private Limited)</b>                                     |                         |                         |
| Loan limit                                                                                                     | 600.00                  | 600.00                  |
| Amount outstanding                                                                                             | 211.40                  | 176.11                  |
| Repayable on demand                                                                                            |                         |                         |
| Interest rate - MCLR rates                                                                                     |                         |                         |
| <b>Details of security given</b>                                                                               |                         |                         |
| (i) Primary : First charge on fixed assets, stock and book debts of the company.                               |                         |                         |
| :First charge on all movable fixed assets of the company.                                                      |                         |                         |
| (ii) Secondary : Corporate guarantee given by Yuken India Limited                                              |                         |                         |
| :First charge by way of extension of mortgage of factory land and building located in Mahadevapura, Bangalore. |                         |                         |
| <b>(viii) Sumitomo Mitsui Banking Corporation (Coretec Engineering India Private Limited)</b>                  |                         |                         |
| Loan limit                                                                                                     | 600.00                  | 600.00                  |
| Amount outstanding                                                                                             | 300.00                  | 300.00                  |
| Repayable on demand                                                                                            |                         |                         |
| Interest rate - MCLR rates                                                                                     |                         |                         |
| <b>Details of security given</b>                                                                               |                         |                         |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

| Particulars                                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| Letter of Guarantee from Yuken India Limited                                |                         |                         |
| <b>(ix) Sumitomo Mitsui Banking Corporation (Kolben Hydraulics Limited)</b> |                         |                         |
| Loan limit                                                                  | 200.00                  | 200.00                  |
| Amount outstanding                                                          | 200.00                  | 200.00                  |
| Repayable on demand                                                         |                         |                         |
| Interest rate - 7.3%                                                        |                         |                         |
| <b>Details of security given</b>                                            |                         |                         |
| Letter of Guarantee from Yuken India Limited                                |                         |                         |

### (2) Unsecured working capital loans from banks

| Particulars                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------|-------------------------|-------------------------|
| <b>(i) Bank of Tokyo (MUFG)</b> |                         |                         |
| Loan limit                      | 1,850.00                | 1,850.00                |
| Amount outstanding              | 1,700.00                | 800.00                  |
| Repayable on demand             |                         |                         |
| Interest rate - MCLR rates      |                         |                         |

### (B) Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

| Particulars                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| <b>Term Loans and Loans repayable on demand</b> |                         |                         |
| Land and building (Net carrying value)          | 8,467.71                | 7,722.79                |
| Inventories                                     | 11,279.13               | 8,510.15                |
| Trade receivables                               | 12,368.88               | 13,239.28               |
| Other financial and non financial assets        | 7,184.58                | 4,709.79                |
| Movable property, plant and equipment           | 15,758.52               | 12,868.65               |

#### Note:

The amount disclosed under "Assets Pledged as Security" represents the carrying value of the assets pledged in the respective standalone financial statements of the entities prior to inter-company eliminations and to the extent of this note, amount reported may not reconcile directly to the corresponding balances presented in the consolidated financial statements.

The Group has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Group has carried out a reconciliation between these statements filed with the books of account and no material differences were noted on the same except as reported in Note (C) below.



## Summary of material accounting policies and other explanatory information for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 17 - Borrowings (contd.)

#### (C) Working Capital limit statement for the year ended 31 March 2026

The Holding Company has filed quarterly statements of inventory and trade receivables with banks from whom borrowings have been obtained by pledging these assets. The Holding Company has carried out a reconciliation between these statements filed with the books of account and no material differences were noted on the same, except in the cases reported below:

| Quarter ended     | Name of the bank | Particulars | Amount as per Books | Amount as reported in quarterly return/ statements | Amount of difference | Reason for difference                                                                      | Whether returns / statements subsequently rectified |
|-------------------|------------------|-------------|---------------------|----------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 30 June 2025      | HDFC Bank        | Inventory   | 6,144.37            | 6,046.44                                           | 97.93                | Difference is on account of incomplete inventory declared for quarterly return/ statement. | No                                                  |
| 30 June 2025      | SBI              | Inventory   | 6,144.37            | 6,046.44                                           | 97.93                |                                                                                            | No                                                  |
| 30 September 2025 | HDFC Bank        | Inventory   | 6,654.37            | 6,637.00                                           | 17.37                |                                                                                            | No                                                  |
| 30 September 2025 | SBI              | Inventory   | 6,654.37            | 6,637.00                                           | 17.37                |                                                                                            | No                                                  |

#### (D) Reconciliation of liabilities arising from Company's financing activities

| Particulars                                | As at March 31, 2026 | As at March 31, 2025 |
|--------------------------------------------|----------------------|----------------------|
| <b>Opening balance</b>                     | 8,861.51             | 7,693.33             |
| Proceeds from long-term borrowings         | 3,255.65             | 892.50               |
| Net movement in working capital borrowings | (887.71)             | (1,015.49)           |
| Repayment of long-term borrowings          | (892.83)             | 1,291.17             |
| <b>Closing balance</b>                     | <b>10,336.62</b>     | <b>8,861.51</b>      |

#### (E) Other Disclosure as per Schedule III

The Group has used the borrowings from banks for the specific purpose for which it was taken at the consolidated balance sheet date.

### Note 18 - Lease liabilities

| Particulars                                | As at March 31, 2026 | As at March 31, 2025 |
|--------------------------------------------|----------------------|----------------------|
| <b>Non-current</b>                         |                      |                      |
| Lease liabilities (Refer note 42)          | 975.20               | 955.33               |
|                                            | <b>975.20</b>        | <b>955.33</b>        |
| <b>Current</b>                             |                      |                      |
| Lease liabilities (Refer note 42)          | 155.68               | 119.84               |
|                                            | <b>155.68</b>        | <b>119.84</b>        |
| <b>Movement in lease liabilities</b>       |                      |                      |
| Balance at the beginning of the year       | 1,075.17             | 123.44               |
| Lease liability recognised during the year | 204.85               | 1,054.37             |
| Finance cost incurred during the year      | 94.19                | 58.14                |
| Payment of lease liabilities               | (243.33)             | (160.78)             |
| <b>Balance at the end of the year</b>      | <b>1,130.88</b>      | <b>1,075.17</b>      |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Other financial liabilities

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                         |                         |                         |
| Others                                     | 2.47                    | 7.41                    |
|                                            | <b>2.47</b>             | <b>7.41</b>             |
| <b>Current</b>                             |                         |                         |
| Trade / security deposits received         | 572.31                  | 576.25                  |
| Payable to employees                       | 569.11                  | 667.04                  |
| Interest accrued but not due on borrowings | 11.54                   | 4.95                    |
| Unpaid dividends                           | 8.57                    | 7.72                    |
| Capital creditors                          | 281.40                  | 194.64                  |
| Interest accrued on trade payables         | 18.10                   | 24.08                   |
| Supplier financing arrangement             | 3,118.65                | 2,712.03                |
| Others                                     | 4.72                    | 3.33                    |
|                                            | <b>4,584.40</b>         | <b>4,190.04</b>         |

#### (A) Supplier financing arrangement

The Holding Company has entered into supplier finance arrangements with certain financial institutions ("the finance providers") to facilitate the early payment of dues on its behalf to the Holding Company's vendors who may elect to factor their invoice. The finance providers shall pay the amounts to a participating vendor in respect of invoices owed by the Holding Company and receive settlement from the Holding Company at a later date.

By virtue of commercial agreement with the finance providers, the Holding Company shall get extended credit period of upto 90 days from the date of bid acceptance (i.e. beyond the credit period of 0-45 days agreed with vendors) to settle the payment with the finance providers for which the finance providers does not charge any interest to the Holding Company (Interest is collected from the vendors). The Holding Company has not placed any collateral with the finance providers to avail such facility.

As per the terms of the arrangements, the Holding Company gets discharged of its obligations towards a vendor once the finance providers remit the payment to the vendor at the time of factoring.

Therefore, the Holding Company has derecognised the original trade payables at the point in time when those balances become part of supplier financial arrangements. The Holding Company has disclosed the related supplier financial liabilities towards the finance providers under "Other financial liabilities" in note 19 above.

The carrying value of liabilities related to supplier finance arrangement being presented under "Other financial liabilities" are considered to be reasonable approximation of fair value, largely due to the short-term nature of the arrangement..



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 19 - Other financial liabilities (contd.)

Disclosures of the supplier finance arrangement are as follows:

| Particulars                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Carrying amount of liabilities under supplier finance arrangement</b> |                         |                         |
| Presented under Other Financial Liability                                | 3,118.65                | 2,712.03                |
| - Of which suppliers have received payment from the finance provider     | 3,118.65                | refer note (a)          |
| <b>Range of payment due dates (days after invoice date)</b>              |                         |                         |
| Liabilities that are part of the arrangement                             | 70-89 days              | refer note (a)          |
| Comparable trade payables that are not part of an arrangement            | 0-45 days               | refer note (a)          |

#### Non cash changes

There were no material business combinations or foreign exchange differences that affected the liabilities under the supplier finance arrangements in either period.

#### Presentation in the Statement of Cashflows

Payments made by the finance providers to the vendors are treated as a non-cash item and settlement of dues to the finance provider by the Holding Company under this arrangement is treated as operating cash outflows because they continue to be part of normal operating cycle and reflect the substance of the payment for purchase of goods and services.

- (a) The Holding Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

Information about the company's exposure to liquidity risk is included in note 40.

### Note 20 - Provisions

| Particulars                                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                                      |                         |                         |
| Payable towards defined benefit obligations (Refer note 37 and note 47) | 442.61                  | 366.51                  |
|                                                                         | <b>442.61</b>           | <b>366.51</b>           |
| <b>Current</b>                                                          |                         |                         |
| Provision for compensated absences (Refer note 37)                      | 533.92                  | 493.85                  |
| Other provisions                                                        | 6.01                    | 28.43                   |
|                                                                         | <b>539.93</b>           | <b>522.28</b>           |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 21 - Trade payables

| Particulars                                                                            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises (MSE)                | 2,242.51                | 1,569.32                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,012.27                | 4,094.82                |
|                                                                                        | <b>7,254.78</b>         | <b>5,664.14</b>         |

### Trade payables ageing schedule

| Particulars                | Outstanding for following periods from date of transaction |                     |               |             |                      | Total           |
|----------------------------|------------------------------------------------------------|---------------------|---------------|-------------|----------------------|-----------------|
|                            | Accrued<br>Expenses                                        | Less than<br>1 year | 1-2 years     | 2-3 years   | More than<br>3 years |                 |
| <b>As at 31 March 2026</b> |                                                            |                     |               |             |                      |                 |
| Dues to MSE                | -                                                          | 2,242.51            | -             | -           | -                    | 2,242.51        |
| Dues to Others             | 1,225.13                                                   | 3,594.74            | 180.38        | -           | 12.02                | 5,012.27        |
|                            | <b>1,225.13</b>                                            | <b>5,837.25</b>     | <b>180.38</b> | <b>-</b>    | <b>12.02</b>         | <b>7,254.78</b> |
| <b>As at 31 March 2025</b> |                                                            |                     |               |             |                      |                 |
| Dues to MSE                | 92.90                                                      | 1,475.61            | 0.81          | -           | -                    | 1,569.32        |
| Dues to Others             | 982.74                                                     | 2,960.45            | 136.41        | 9.77        | 5.45                 | 4,094.82        |
|                            | <b>1,075.64</b>                                            | <b>4,436.06</b>     | <b>137.22</b> | <b>9.77</b> | <b>5.45</b>          | <b>5,664.14</b> |

### Note 22 - Other liabilities

| Particulars                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                              |                         |                         |
| Statutory dues payable                      | 292.66                  | 424.29                  |
| Revenue received in advance (Refer note 23) | 356.18                  | 135.44                  |
|                                             | <b>648.84</b>           | <b>559.73</b>           |

### Note 23 - Other liabilities

| Particulars                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                          |                         |                         |
| Provision for tax ( net of advance tax) | 31.14                   | -                       |
|                                         | <b>31.14</b>            | <b>-</b>                |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 24 - Revenue from operations

| Particulars                                   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------|------------------------------|------------------------------|
| Revenue from sale of products (Refer note 38) | 45,768.86                    | 45,505.95                    |
|                                               | <b>45,768.86</b>             | <b>45,505.95</b>             |
| <b>Other operating revenue</b>                |                              |                              |
| Training and other services rendered          | 432.89                       | 227.84                       |
| Duty drawback                                 | 10.44                        | 1.84                         |
| Export Incentive                              | 5.13                         | -                            |
|                                               | <b>448.46</b>                | <b>229.68</b>                |
|                                               | <b>46,217.32</b>             | <b>45,735.63</b>             |

### Reconciling the amount of revenue recognized in the statement of profit and loss with contracted price:

| Particulars                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------|------------------------------|------------------------------|
| Revenue as per contracted price              | 45,768.86                    | 45,505.95                    |
| <b>Adjustments:</b>                          |                              |                              |
| Discounts                                    | -                            | -                            |
| <b>Revenue from contracts with customers</b> | <b>45,768.86</b>             | <b>45,505.95</b>             |

### Details of contract balances

| Particulars                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 | As at<br>01 April 2024 |
|---------------------------------------------|-------------------------|-------------------------|------------------------|
| Trade receivables (Refer note 11)           | 11,881.83               | 11,635.03               | 11,959.29              |
| Revenue received in advance (Refer note 22) | 356.18                  | 135.44                  | 1,564.48               |
| <b>Total</b>                                | <b>12,238.01</b>        | <b>11,770.47</b>        | <b>13,523.77</b>       |

### Movement in contract balances

| Particulars                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------|------------------------------|------------------------------|
| <b>Opening balance</b>                                 | <b>135.44</b>                | <b>1,564.48</b>              |
| Less: Revenue recognised from above/ advance forfeited | (135.44)                     | (1,564.48)                   |
| Add: Additions during the year                         | 356.18                       | 135.44                       |
| <b>Closing balance</b>                                 | <b>356.18</b>                | <b>135.44</b>                |
| Non-current                                            | -                            | -                            |
| Current                                                | 356.18                       | 135.44                       |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 24 - Revenue from operations (contd.)

#### Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

| Particulars                             | Timing of revenue recognition | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------|-------------------------------|------------------------------|------------------------------|
| <b>Sale of products</b>                 |                               |                              |                              |
| Finished goods                          | At point in time              | 45,768.86                    | 45,505.95                    |
| <b>Other operating revenue</b>          |                               |                              |                              |
| Training and other services rendered    | Over a period of time         | 432.89                       | 227.84                       |
| Duty drawback                           | At point in time              | 10.44                        | 1.84                         |
| Export Incentive received               | At point in time              | 5.13                         | -                            |
| <b>Sale of products comprises :</b>     |                               |                              |                              |
| <b>Manufactured goods</b>               |                               |                              |                              |
| Hydraulic pumps, valves, etc            |                               | 23,874.15                    | 21,304.96                    |
| Hydraulic systems                       |                               | 14,705.56                    | 15,528.89                    |
| Foundry products                        |                               | 5,310.81                     | 6,587.15                     |
| <b>Traded goods</b>                     |                               |                              |                              |
| Other Items (Valves, Pumps, Spares etc) |                               | 1,878.34                     | 2,084.95                     |
|                                         |                               | <b>45,768.86</b>             | <b>45,505.95</b>             |

In the following table, revenue is disaggregated by primary geographical markets is as follows:

| Particulars   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------|------------------------------|------------------------------|
| India         | 44,445.69                    | 44,532.03                    |
| Outside India | 1,323.17                     | 973.92                       |
|               | <b>45,768.86</b>             | <b>45,505.95</b>             |

#### Revenue from major customer

No single customer contributes 10 percent or more of the Group's total revenue for the years ended 31 March 2026 and 31 March 2025

### Note 25 - Other income

| Particulars                                                   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| <b>Interest on financial assets carried at amortised cost</b> |                              |                              |
| - on deposits with banks                                      | 2.85                         | 3.86                         |
| - on overdue trade receivables                                | 26.98                        | 56.24                        |
| - on others                                                   | 151.86                       | 26.78                        |
| Rental income                                                 | 55.74                        | 50.64                        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 25 - Other income (contd.)

| Particulars                                                                                         | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Sale of scrap                                                                                       | 6.66                         | 26.68                        |
| Discount received                                                                                   | 41.39                        | 72.77                        |
| Miscellaneous income (comprises of guarantee commission & provision for doubtful debt written back) | 115.67                       | 136.78                       |
|                                                                                                     | <b>401.15</b>                | <b>373.75</b>                |

### Note 26 - Cost of materials consumed

| Particulars          | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------|------------------------------|------------------------------|
| Opening stock        | 4,336.12                     | 4,071.18                     |
| Add : Purchases      | 21,875.62                    | 19,700.04                    |
|                      | <b>26,211.74</b>             | <b>23,771.22</b>             |
| Less : Closing stock | 6,548.08                     | 4,336.12                     |
|                      | <b>19,663.66</b>             | <b>19,435.10</b>             |

### Note 27 - Purchases of stock-in-trade

| Particulars              | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------|------------------------------|------------------------------|
| Purchase of traded goods | 1,740.53                     | 2,004.05                     |
|                          | <b>1,740.53</b>              | <b>2,004.05</b>              |

### Note 28 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars                                      | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------|------------------------------|------------------------------|
| <b>Inventories at the end of the year:</b>       |                              |                              |
| Finished goods                                   | 2,616.66                     | 2,664.69                     |
| Work-in-progress                                 | 2,271.67                     | 1,972.83                     |
| Stock-in-trade                                   | 271.16                       | 380.29                       |
|                                                  | <b>5,159.49</b>              | <b>5,017.81</b>              |
| <b>Inventories at the beginning of the year:</b> |                              |                              |
| Finished goods                                   | 2,664.69                     | 2,169.59                     |
| Work-in-progress                                 | 1,972.83                     | 1,850.50                     |
| Stock-in-trade                                   | 380.29                       | 515.07                       |
|                                                  | <b>5,017.81</b>              | <b>4,535.16</b>              |
|                                                  | <b>(141.68)</b>              | <b>(482.65)</b>              |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 29 - Employee benefits expense

| Particulars                                           | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------------------|------------------------------|------------------------------|
| Salaries and wages                                    | 5,587.67                     | 5,377.49                     |
| Contribution to provident and other funds             | 411.34                       | 389.77                       |
| Contribution to defined benefits plan (Refer note 37) | 149.52                       | 89.51                        |
| Staff welfare expenses                                | 512.46                       | 470.19                       |
|                                                       | <b>6,660.99</b>              | <b>6,326.96</b>              |

### Note 30 - Finance costs

| Particulars                                       | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------------------|------------------------------|------------------------------|
| Interest expenses on borrowings at amortised cost | 913.33                       | 868.13                       |
| Interest expenses on leases                       | 94.19                        | 58.14                        |
| Interest on others                                | 68.69                        | 113.62                       |
|                                                   | <b>1,076.21</b>              | <b>1,039.89</b>              |

### Note 31 - Depreciation and amortisation expense

| Particulars                                         | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------|------------------------------|------------------------------|
| Depreciation on tangible assets (Refer note 3)      | 1,800.09                     | 1,437.87                     |
| Depreciation on Investment property (Refer note 3B) | 29.54                        | 29.38                        |
| Amortisation on intangible assets (Refer note 4A)   | 103.98                       | 124.42                       |
| Amortisation on right-of-use assets (Refer note 5)  | 199.99                       | 127.14                       |
|                                                     | <b>2,133.60</b>              | <b>1,718.81</b>              |

### Note 32 - Other expenses

| Particulars                           | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------|------------------------------|------------------------------|
| Consumption of stores and spare parts | 378.98                       | 371.69                       |
| Tools consumed                        | 526.19                       | 566.53                       |
| Consumption of packing materials      | 548.79                       | 474.24                       |
| Subcontracting                        | 3,402.32                     | 3,263.47                     |
| Contract Labour wages                 | 1,534.68                     | 1,563.80                     |
| Power and fuel                        | 1,584.85                     | 1,580.84                     |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 32 - Other expenses (contd.)

| Particulars                                                | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------------------------|------------------------------|------------------------------|
| Rent including lease rentals                               | 314.57                       | 292.97                       |
| Repairs and maintenance - Buildings                        | 224.31                       | 197.59                       |
| Repairs and maintenance - Machinery                        | 753.88                       | 743.87                       |
| Repairs and maintenance - Others                           | 45.62                        | 68.92                        |
| Vehicle maintenance                                        | 61.82                        | 70.10                        |
| Insurance                                                  | 122.29                       | 111.45                       |
| Rates and taxes                                            | 66.29                        | 71.45                        |
| Travelling and conveyance                                  | 911.54                       | 801.36                       |
| Freight and forwarding                                     | 784.73                       | 730.84                       |
| Legal and professional charges                             | 603.17                       | 612.33                       |
| Remuneration to auditors                                   | 70.32                        | 46.77                        |
| Bad Debts                                                  | 38.93                        | 31.63                        |
| Loss on sale of property, plant and equipment (net)        | 0.92                         | 2.68                         |
| Net loss on foreign currency transactions and translations | 91.40                        | 58.88                        |
| Provision for doubtful trade receivables                   | -                            | 81.26                        |
| Provision for advances & other receivables                 | -                            | 82.74                        |
| Corporate social responsibility expenses (Refer note 45)   | 56.01                        | 41.79                        |
| Miscellaneous expenses                                     | 1,120.20                     | 1,098.23                     |
|                                                            | <b>13,241.81</b>             | <b>12,965.43</b>             |

### Note 33 - Earnings per share

| Particulars                                                     | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| <b>Basic and diluted</b>                                        |                              |                              |
| Net profit for the year attributable to the equity shareholders | 1,447.31                     | 2,462.00                     |
| Weighted average number of equity shares                        | 1,33,88,800                  | 1,30,00,000                  |
| Par value per share                                             | 10.00                        | 10.00                        |
| Earnings per share - Basic                                      | 10.81                        | 18.94                        |
| Earnings per share - Diluted                                    | 10.81                        | 18.94                        |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 34 - Contingencies and commitments

#### (a) Contingent liabilities

| Particulars                                               | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the Group not acknowledged as debts</b> |                         |                         |
| Disputed income tax liabilities                           |                         |                         |
| (i) AY 2006-07                                            | -                       | 3.64                    |
| (ii) AY 2008-09                                           | -                       | 5.68                    |
| (iii) AY 2009-10                                          | 19.10                   | 19.10                   |
| (iv) AY 2012-13                                           | 10.83                   | 10.83                   |
| (v) AY 2014-15                                            | -                       | 18.50                   |
|                                                           | <b>29.93</b>            | <b>57.75</b>            |

#### (b) Commitments

| Particulars                                                                                            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Estimated amounts of contracts remaining to be executed on capital account and not provided for</b> |                         |                         |
| Capital commitments                                                                                    | 381.90                  | 3,901.65                |
|                                                                                                        | <b>381.90</b>           | <b>3,901.65</b>         |

#### (c) Corporate Guarantee

| Particulars                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------|-------------------------|-------------------------|
| AEPL Grotek Renewable Energy Private Limited | 1,690.00                | 1,500.00                |
|                                              | <b>1,690.00</b>         | <b>1,500.00</b>         |

### Note 35 Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity shareholders of the Entity. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 35 Capital management (contd.)

| Particulars                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| Borrowings (Refer note 17)                                               | 10,336.62               | 8,861.51                |
| Trade payables (Refer note 21)                                           | 7,254.78                | 5,664.14                |
| Less: Cash and cash equivalents (Refer note 12)                          | (2,240.93)              | (206.56)                |
| Less: Bank balances other than cash and cash equivalents (Refer note 13) | (35.57)                 | (50.56)                 |
| <b>Net debt</b>                                                          | <b>15,314.90</b>        | <b>14,268.53</b>        |
| Equity (Refer note 15)                                                   | 1,358.40                | 1,300.00                |
| Other Equity (Refer note 16)                                             | 35,954.07               | 28,815.23               |
| Capital and net debt                                                     | 52,627.37               | 44,383.76               |
| Gearing ratio                                                            | 29%                     | 32%                     |

### Note 36 - Income Tax

The major components of income tax expense are:

| Particulars                                                          | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Current income tax:</b>                                           |                              |                              |
| Current income tax charge                                            | 463.72                       | 306.68                       |
| Current tax of earlier years                                         | 67.64                        | 316.95                       |
|                                                                      | <b>531.36</b>                | <b>623.63</b>                |
| <b>Deferred tax charge</b>                                           |                              |                              |
| Relating to the origination and reversal of temporary differences    | 284.20                       | 405.59                       |
| Deferred tax income for earlier years                                | (42.20)                      | (322.47)                     |
| <b>Income tax expense reported in Statement of Profit and Loss</b>   | <b>773.36</b>                | <b>706.75</b>                |
| <b>Deferred tax related to items recognised in OCI</b>               |                              |                              |
| Income tax relating to re-measurement gains on defined benefit plans | (12.48)                      | (17.00)                      |
|                                                                      | <b>(12.48)</b>               | <b>(17.00)</b>               |
|                                                                      | <b>760.88</b>                | <b>689.75</b>                |
| <b>Deferred tax related to items recognised in OCI</b>               |                              |                              |
| Income tax relating to re-measurement gains on defined benefit plans | (12.48)                      | (17.00)                      |
|                                                                      | <b>(12.48)</b>               | <b>(17.00)</b>               |
|                                                                      | <b>760.88</b>                | <b>689.75</b>                |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 36 - Income Tax (contd.)

#### Reconciliation of deferred tax liabilities (net)

| Particulars                                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Opening balance</b>                                                 | <b>1,074.80</b>              | <b>994.38</b>                |
| Tax expense during the year recognised in Statement of Profit and Loss | 178.87                       | 97.42                        |
| Tax expense/(credit) during the year recognised in OCI                 | (12.48)                      | (17.00)                      |
| <b>Closing balance</b>                                                 | <b>1,241.19</b>              | <b>1,074.80</b>              |

#### Reconciliation of deferred tax assets (net)

| Particulars                                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Opening balance</b>                                                 | <b>156.68</b>                | <b>170.98</b>                |
| Tax expense during the year recognised in Statement of Profit and Loss | (63.13)                      | 14.30                        |
| Utilized during the year                                               | -                            | (28.60)                      |
| <b>Closing balance</b>                                                 | <b>93.55</b>                 | <b>156.68</b>                |

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

| Particulars                                                                             | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Accounting profit before tax</b>                                                     | <b>2,212.39</b>              | <b>3,166.91</b>              |
| Tax on accounting profit at statutory income tax rate at 25.17% (31 March 2025: 25.17%) | 556.81                       | 797.11                       |
| Reconciling items:                                                                      |                              |                              |
| Net effect of differential tax rate                                                     | 13.11                        | 26.64                        |
| Reversal of DTA                                                                         | 154.77                       | -                            |
| Tax for earlier years                                                                   | 25.44                        | -                            |
| Others                                                                                  | 23.23                        | (53.97)                      |
| Change in income tax rate                                                               | -                            | (63.03)                      |
|                                                                                         | <b>773.36</b>                | <b>706.75</b>                |
| <b>Income tax expense reported in the Statement of Profit and Loss</b>                  | <b>773.36</b>                | <b>706.75</b>                |

#### Details of Items disclosed under deferred tax liabilities

| Particulars                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax assets (net)      | 93.55                   | 156.68                  |
| Deferred tax liabilities (net) | (1,241.19)              | (1,074.80)              |
| <b>Total</b>                   | <b>(1,147.64)</b>       | <b>(918.12)</b>         |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 36 - Income Tax (contd.)

Significant components of deferred tax asset / (liability) for the year ended 31 March 2026 are as follows :

| Particulars                                                                                                  | Opening balance   | Recognised in SPL | Recognised in OCI | MAT Credit claimed/<br>written off | Closing balance   |
|--------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|------------------------------------|-------------------|
| (i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961. | (1,610.74)        | (188.66)          | -                 | -                                  | (1,799.40)        |
| (ii) Lease liabilities net of lease assets                                                                   | (0.82)            | (0.81)            | -                 | -                                  | (1.63)            |
| <b>Gross deferred tax liabilities</b>                                                                        | <b>(1,611.56)</b> | <b>(189.47)</b>   | <b>-</b>          | <b>-</b>                           | <b>(1,801.03)</b> |
| (i) Provision for doubtful receivables and advances                                                          | 116.35            | (0.64)            | -                 | -                                  | 115.71            |
| (ii) Re-measurement of defined benefit liability                                                             | 216.55            | 14.96             | 12.48             | -                                  | 243.99            |
| (iii) Fair value measurement of financial asset/liability                                                    | 23.82             | -                 | -                 | -                                  | 23.82             |
| (iv) MAT credit entitlement                                                                                  | -                 | -                 | -                 | -                                  | -                 |
| (v) Lease liabilities net of lease assets                                                                    | 9.10              | 13.89             | -                 | -                                  | 22.99             |
| (vi) Others (Expenses)                                                                                       | 98.10             | 0.65              | -                 | -                                  | 98.75             |
| (vii) Brought forward business losses/Unabsorbed depreciation carried forward                                | 229.52            | (81.39)           | -                 | -                                  | 148.13            |
| <b>Gross deferred tax assets</b>                                                                             | <b>693.44</b>     | <b>(52.53)</b>    | <b>12.48</b>      | <b>-</b>                           | <b>653.39</b>     |
| <b>Deferred tax liabilities (net)</b>                                                                        | <b>(918.12)</b>   | <b>(242.00)</b>   | <b>12.48</b>      | <b>-</b>                           | <b>(1,147.64)</b> |

Significant components of deferred tax asset / (liability) for the year ended 31 March 2025 are as follows :

| Particulars                                                                                                  | Opening balance   | Recognised in SPL | Recognised in OCI | MAT Credit claimed/<br>written off | Closing balance   |
|--------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|------------------------------------|-------------------|
| (i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961. | (1,612.28)        | 1.54              | -                 | -                                  | (1,610.74)        |
| (ii) Lease liabilities net of lease assets                                                                   | (1.93)            | 1.11              | -                 | -                                  | (0.82)            |
| <b>Gross deferred tax liabilities</b>                                                                        | <b>(1,614.21)</b> | <b>2.65</b>       | <b>-</b>          | <b>-</b>                           | <b>(1,611.56)</b> |
| (i) Provision for doubtful receivables and advances                                                          | 87.01             | 29.34             | -                 | -                                  | 116.35            |
| (ii) Re-measurement of defined benefit liability                                                             | 197.89            | 1.66              | 17.00             | -                                  | 216.55            |
| (iii) Fair value measurement of financial asset/liability                                                    | 25.11             | (1.29)            | -                 | -                                  | 23.82             |
| (vi) MAT credit entitlement                                                                                  | 17.71             | 10.89             | -                 | (28.60)                            | -                 |
| (v) Lease liabilities net of lease assets                                                                    | -                 | 9.10              | -                 | -                                  | 9.10              |
| (v) Others (Expenses)                                                                                        | 126.84            | (28.74)           | -                 | -                                  | 98.10             |
| (vi) Brought forward business losses/Unabsorbed depreciation carried forward                                 | 336.25            | (106.73)          | -                 | -                                  | 229.52            |
| <b>Gross deferred tax assets</b>                                                                             | <b>790.81</b>     | <b>(85.77)</b>    | <b>17.00</b>      | <b>(28.60)</b>                     | <b>693.44</b>     |
| <b>Deferred tax assets (net)</b>                                                                             | <b>(823.40)</b>   | <b>(83.12)</b>    | <b>17.00</b>      | <b>(28.60)</b>                     | <b>(918.12)</b>   |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - 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 Provision Act, 1952 and superannuation fund which are defined contribution plans as per Ind AS 19, Employee benefits. The Group recognised ₹353.75 (31 March 2025: ₹327.56) for provident fund contributions and ₹52.77 (31 March 2025: ₹48.78) 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 Project Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

##### 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 accrued and paid in accordance with the provisions under the Code on Social Security, 2020 (w.e.f. 21 November 2021) and Payment of Gratuity Act, 1972 (as amended from time to time) until 20 November 2025. 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.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Defined benefit obligations (contd.)

#### g Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

| Particulars                                                                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b> |                         |                         |
| Current service cost                                                                                        | 62.76                   | 67.88                   |
| Past service cost                                                                                           | 62.09                   | -                       |
| Interest cost                                                                                               | 60.38                   | 51.62                   |
| Expected return on plan assets                                                                              | (35.71)                 | (29.99)                 |
| <b>Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss</b>          | <b>149.52</b>           | <b>89.51</b>            |
| <b>Re-measurement on the net defined benefit liability</b>                                                  |                         |                         |
| Actuarial gains and losses arising from change in financial , demographic and experience adjustments        | 39.40                   | 116.76                  |
| Return on plan assets excluding amount recognised in net interest expense                                   | 11.24                   | 2.59                    |
| <b>Components of defined benefit costs recognised in Other Comprehensive Income</b>                         | <b>50.64</b>            | <b>119.35</b>           |
| <b>Actual contribution and benefit payments for year</b>                                                    |                         |                         |
| Actual benefit payments                                                                                     | (107.24)                | (61.77)                 |
| Actual contributions                                                                                        | 114.80                  | 156.29                  |
| <b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>                                 |                         |                         |
| Present value of defined benefit obligations                                                                | (1,025.65)              | (908.25)                |
| Fair value of plan assets                                                                                   | 583.04                  | 541.69                  |
| <b>Net (liability) recognised in the Consolidated Balance Sheet</b>                                         | <b>(442.61)</b>         | <b>(366.56)</b>         |
| <b>Change in defined benefit obligations (DBO) during the year</b>                                          |                         |                         |
| Present value of DBO at the beginning of the year                                                           | 908.25                  | 733.76                  |
| Current service cost                                                                                        | 62.76                   | 67.88                   |
| Past service cost                                                                                           | 62.09                   | -                       |
| Interest cost                                                                                               | 60.38                   | 51.62                   |
| Actuarial losses                                                                                            | 39.40                   | 116.76                  |
| Benefits paid                                                                                               | (107.24)                | (61.77)                 |
| <b>Present value of DBO at the end of the year</b>                                                          | <b>1,025.65</b>         | <b>908.25</b>           |
| <b>Change in fair value of assets during the year</b>                                                       |                         |                         |
| Plan assets at the beginning of the year                                                                    | 541.69                  | 419.77                  |
| Expected return on plan assets                                                                              | 35.71                   | 29.99                   |
| Actual Group contributions                                                                                  | 114.80                  | 156.29                  |
| Actuarial losses                                                                                            | (11.24)                 | (2.59)                  |
| Benefits paid                                                                                               | (97.92)                 | (61.77)                 |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Defined benefit obligations (contd.)

| Particulars                                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Plan assets at the end of the year</b>            | <b>583.04</b>           | <b>541.69</b>           |
| Actual return on plan assets                         | 24.47                   | 27.40                   |
| <b>Composition of the plan assets is as follows:</b> |                         |                         |
| Others- Insurer managed funds                        | 100%                    | 100%                    |
| <b>Actuarial assumptions</b>                         |                         |                         |
| Discount rate                                        | 7.05%-7.60%             | 6.70%-7.20%             |
| Salary escalation                                    | 4.00%                   | 4.00%                   |
| <b>Attrition</b>                                     |                         |                         |
| - Below 44 years                                     | 2.00%~13.50%            | 9.00%                   |
| - 44 years and above                                 | 2.00%~6.50%             | 2.00%                   |

**Note:**

The Group is estimated to contribute ₹431.86 (31 March 2025: ₹359.62) 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 :

| Particulars                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>Impact of change in the discount rate</b>      |                         |                         |
| Impact due to increase of 1%                      | (57.62)                 | (62.32)                 |
| Impact due to decrease of 1%                      | 64.59                   | 71.00                   |
| <b>Impact of change in the salary growth rate</b> |                         |                         |
| Impact due to increase of 1%                      | 63.13                   | 68.64                   |
| Impact due to decrease of 1%                      | (57.81)                 | (61.29)                 |
| <b>Impact of change in the attrition rate</b>     |                         |                         |
| Impact due to increase of 50%                     | 30.32                   | 21.75                   |
| Impact due to decrease of 50%                     | (46.09)                 | (28.89)                 |
| <b>Impact of change in the mortality rate</b>     |                         |                         |
| Impact due to increase of 10%                     | (0.13)                  | 0.48                    |
| Impact due to decrease of 10%                     | 0.11                    | (0.54)                  |

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.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 37 - Defined benefit obligations (contd.)

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:

#### Expected cash flows over the next: (valued on undiscounted basis)

| Particulars        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------|-------------------------|-------------------------|
| 1 year             | 186.00                  | 83.32                   |
| 2 - 5 years        | 523.62                  | 265.40                  |
| 6 - 10 years       | 378.99                  | 270.68                  |
| More than 10 years | 644.89                  | 965.03                  |

### Note 38 - Segment information

The Managing Director of the Group has been identified as the Chief Operating Decision Maker(CODM) as defined by Ind AS 108- Operating Segments. The CODM evaluates the Group performance and allocates resources based on hydraulic business performance and foundry business performance. Accordingly the segment information has been presented.

The Group has identified business segments as its primary segment. India is the only major geographical segment, constituting over 95% of the Group's revenues for the reporting period. Hence geographical segment is not reported. Business segments are primarily hydraulic business segment and foundry business segment. Hydraulic business segment consists of hydraulic pumps, valves and hydraulic systems. Foundry business segment consists of cast iron castings. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

| Particulars                                                       | Year ended 31 March 2026 |                  |                 |                   |                 |
|-------------------------------------------------------------------|--------------------------|------------------|-----------------|-------------------|-----------------|
|                                                                   | Hydraulic business       | Foundry business | Eliminations    | Unallocated       | Total           |
| Revenue from sale of products                                     | 40,458.05                | 8,615.32         | (3,304.51)      | -                 | 45,768.86       |
| Operating income                                                  | 205.44                   | 243.02           | -               | -                 | 448.46          |
|                                                                   | 40,663.49                | 8,858.34         | (3,304.51)      | -                 | 46,217.32       |
| Segment result before interest expense, interest income and taxes | 5,614.52                 | 1,018.13         | (105.48)        | (3,389.30)        | 3,137.87        |
| Add: Interest income                                              | 170.61                   | 11.08            | -               | -                 | 181.69          |
| Less: Finance costs                                               | -                        | -                | -               | (1,076.21)        | (1,076.21)      |
| <b>Profit before share of profit from associates and tax</b>      | <b>5,785.13</b>          | <b>1,029.21</b>  | <b>(105.48)</b> | <b>(4,465.51)</b> | <b>2,243.35</b> |
| Share of profit from associates                                   | -                        | -                | -               | -                 | (30.96)         |
| <b>Profit before tax</b>                                          | <b>-</b>                 | <b>-</b>         | <b>-</b>        | <b>-</b>          | <b>2,212.39</b> |
| Taxes                                                             | -                        | -                | -               | -                 | 773.36          |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 - Segment information (contd.)

| Particulars                                      | Year ended 31 March 2026 |                  |              |             |                  |
|--------------------------------------------------|--------------------------|------------------|--------------|-------------|------------------|
|                                                  | Hydraulic business       | Foundry business | Eliminations | Unallocated | Total            |
| <b>Profit after taxes</b>                        | -                        | -                | -            | -           | <b>1,439.03</b>  |
| Add: Other comprehensive Income                  | (55.57)                  | 4.93             | -            | -           | <b>(50.64)</b>   |
| Taxes                                            |                          |                  |              |             | <b>12.48</b>     |
| <b>Total Comprehensive Income</b>                | -                        | -                | -            | -           | <b>1,400.87</b>  |
| <b>Other information</b>                         |                          |                  |              |             |                  |
| Depreciation and amortisation expenses           | 1,747.13                 | 395.43           | (8.96)       | -           | <b>2,133.60</b>  |
| <b>Other material item of income and expense</b> |                          |                  |              |             |                  |
| Changes in inventory                             | (212.12)                 | 6.15             | 64.29        | -           | <b>(141.68)</b>  |
| Costs of material consumed                       | 24,870.59                | 4,178.09         | (9,385.02)   | -           | <b>19,663.66</b> |
| Purchases of stock-in-trade                      | 1,740.53                 | -                | -            | -           | <b>1,740.53</b>  |

| Particulars                                                       | Year ended 31 March 2025 |                  |                   |                   |                   |
|-------------------------------------------------------------------|--------------------------|------------------|-------------------|-------------------|-------------------|
|                                                                   | Hydraulic business       | Foundry business | Eliminations      | Unallocated       | Total             |
| Revenue from sale of products                                     | 38,918.80                | 9,355.88         | (2,768.73)        | -                 | <b>45,505.95</b>  |
| Operating income                                                  | 270.33                   | 19.33            | (59.98)           | -                 | <b>229.68</b>     |
|                                                                   | <b>39,189.13</b>         | <b>9,375.21</b>  | <b>(2,828.71)</b> | -                 | <b>45,735.63</b>  |
| Segment result before interest expense, interest income and taxes | 6,430.76                 | 1,215.09         | (95.87)           | (3,495.18)        | <b>4,054.80</b>   |
| Add: Interest income                                              | 76.49                    | 10.39            | -                 | -                 | <b>86.88</b>      |
| Less: Finance costs                                               | -                        | -                | -                 | (1,039.89)        | <b>(1,039.89)</b> |
| <b>Profit before share of profit from associates and tax</b>      | <b>6,507.25</b>          | <b>1,225.48</b>  | <b>(95.87)</b>    | <b>(4,535.07)</b> | <b>3,101.79</b>   |
| Share of profit from associates                                   | -                        | -                | -                 | -                 | <b>65.12</b>      |
| <b>Profit before tax</b>                                          | -                        | -                | -                 | -                 | <b>3,166.91</b>   |
| Taxes                                                             | -                        | -                | -                 | -                 | <b>706.75</b>     |
| <b>Profit after taxes</b>                                         | -                        | -                | -                 | -                 | <b>2,460.16</b>   |
| Add: Other comprehensive Income                                   | (111.82)                 | (7.53)           | -                 | -                 | <b>(119.35)</b>   |
| Taxes                                                             |                          |                  |                   |                   | <b>17.00</b>      |
| <b>Total Comprehensive Income</b>                                 | -                        | -                | -                 | -                 | <b>2,357.81</b>   |
| <b>Other information</b>                                          |                          |                  |                   |                   |                   |
| Depreciation and amortisation expenses                            | 1,476.63                 | 369.18           | (127.00)          |                   | <b>1,718.81</b>   |
| <b>Other material item of income and expense</b>                  |                          |                  |                   |                   |                   |
| Changes in inventory                                              | (381.15)                 | (46.65)          | (54.85)           | -                 | <b>(482.65)</b>   |
| Costs of material consumed                                        | 24,260.37                | 4,485.57         | (9,310.84)        | -                 | <b>19,435.10</b>  |
| Purchases of stock-in-trade                                       | 2,004.05                 | -                | -                 | -                 | <b>2,004.05</b>   |

#### Note:

Assets and liabilities used in the Group's business are not identified to any of the operating segments, as they can be used interchangeably between segments.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 38 - Segment information (contd.)

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

| Particulars                                                                                | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Revenues from external customers for each product or each group of similar products</b> |                              |                              |
| Sale of products                                                                           | 45,768.86                    | 45,505.95                    |
|                                                                                            | <b>45,768.86</b>             | <b>45,505.95</b>             |

Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues

| Particulars   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------|------------------------------|------------------------------|
| India         | 44,445.69                    | 44,532.03                    |
| Outside India | 1,323.17                     | 973.92                       |
|               | <b>45,768.86</b>             | <b>45,505.95</b>             |

Non-current assets (other than financial instruments and deferred tax assets) located in the Group's country of domicile and in all foreign countries in which the Group holds assets

| Particulars   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------|------------------------------|------------------------------|
| India         | 34,635.00                    | 28,189.42                    |
| Outside India | -                            | -                            |
|               | <b>34,635.00</b>             | <b>28,189.42</b>             |

Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale

No single customer contributes 10 percent or more of the Group's total revenue for the years ended 31 March 2026 and 31 March 2025.



# Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

## Note 39 - Fair value measurements

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2026 were as follows:

| Particulars                                        | Notes | Amortised cost   | Financial assets/liabilities at FVTPL | Financial assets/liabilities at FVOCI |
|----------------------------------------------------|-------|------------------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                      |       |                  |                                       |                                       |
| <b>Non-current assets</b>                          |       |                  |                                       |                                       |
| Financial Assets                                   |       |                  |                                       |                                       |
| Loans                                              | 7     | 17.22            | -                                     | -                                     |
| Other financial assets                             | 8     | 304.71           | -                                     | -                                     |
| <b>Current assets</b>                              |       |                  |                                       |                                       |
| Financial assets                                   |       |                  |                                       |                                       |
| Trade receivables                                  | 11    | 11,881.83        | -                                     | -                                     |
| Cash and cash equivalents                          | 12    | 2,240.93         | -                                     | -                                     |
| Bank balances other than cash and cash equivalents | 13    | 35.57            | -                                     | -                                     |
| Loans                                              | 7     | 47.62            | -                                     | -                                     |
| Other financial assets                             | 8     | 65.29            | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>14,593.17</b> | <b>-</b>                              | <b>-</b>                              |
| <b>LIABILITIES</b>                                 |       |                  |                                       |                                       |
| <b>Non-current liabilities</b>                     |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 2,799.99         | -                                     | -                                     |
| Lease liabilities                                  | 18    | 975.20           | -                                     | -                                     |
| Other financial liabilities                        | 19    | 2.47             | -                                     | -                                     |
| <b>Current liabilities</b>                         |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 7,536.63         | -                                     | -                                     |
| Lease liabilities                                  | 18    | 155.68           | -                                     | -                                     |
| Trade payables                                     | 21    | 7,254.78         | -                                     | -                                     |
| Other financial liabilities                        | 19    | 4,584.40         | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>23,309.15</b> | <b>-</b>                              | <b>-</b>                              |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Fair value measurements (contd)

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

| Particulars                                        | Notes | Amortised cost   | Financial assets/liabilities at FVTPL | Financial assets/liabilities at FVOCI |
|----------------------------------------------------|-------|------------------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                      |       |                  |                                       |                                       |
| <b>Non-current assets</b>                          |       |                  |                                       |                                       |
| Financial Assets                                   |       |                  |                                       |                                       |
| Loans                                              | 7     | 20.65            | -                                     | -                                     |
| Other financial assets                             | 8     | 226.71           | -                                     | -                                     |
| <b>Current assets</b>                              |       |                  |                                       |                                       |
| Financial assets                                   |       |                  |                                       |                                       |
| Trade receivables                                  | 11    | 11,635.03        | -                                     | -                                     |
| Cash and cash equivalents                          | 12    | 206.56           | -                                     | -                                     |
| Bank balances other than cash and cash equivalents | 13    | 50.56            | -                                     | -                                     |
| Loans                                              | 7     | 39.99            | -                                     | -                                     |
| Other financial assets                             | 8     | 147.60           | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>12,327.10</b> | <b>-</b>                              | <b>-</b>                              |
| <b>LIABILITIES</b>                                 |       |                  |                                       |                                       |
| <b>Non-current liabilities</b>                     |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 606.08           | -                                     | -                                     |
| Lease liabilities                                  | 18    | 955.33           | -                                     | -                                     |
| Other financial liabilities                        | 19    | 7.41             | -                                     | -                                     |
| <b>Current liabilities</b>                         |       |                  |                                       |                                       |
| Financial liabilities                              |       |                  |                                       |                                       |
| Borrowings                                         | 17    | 8,255.43         | -                                     | -                                     |
| Lease liabilities                                  | 18    | 119.84           | -                                     | -                                     |
| Trade payables                                     | 21    | 5,664.14         | -                                     | -                                     |
| Other financial liabilities                        | 19    | 4,190.04         | -                                     | -                                     |
| <b>Total</b>                                       |       | <b>19,798.27</b> | <b>-</b>                              | <b>-</b>                              |

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale..

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 39 - Fair value measurements (contd)

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

#### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group does not have any financial instrument designated at FVTPL or FVOCI to be valued as per level 1, level 2, level 3, hence this disclosure is not presented.

### Note 40 - Financial risk management

The Group's financial assets majorly comprise of trade receivables, investments, loans, Bank balances other than cash and cash equivalents and cash & cash equivalents. The Group's financial liabilities majorly comprises of borrowings, trade payables and lease liabilities.

The Group is primarily exposed to market risk, credit risk and liquidity risk arising out of operations. The Group's financial assets category are summarised in Note 7, Note 8 and Note 11 to 13.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

#### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

| Assets under credit risk                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Asset</b>                                       |                         |                         |
| Loan                                               | 64.84                   | 60.64                   |
| Trade receivables                                  | 11,881.83               | 11,635.03               |
| Cash and cash equivalents                          | 2,240.93                | 206.56                  |
| Bank balances other than cash and cash equivalents | 35.57                   | 50.56                   |
| Other financial assets                             | 370.00                  | 374.31                  |
| Bank balances other than cash and cash equivalents | 35.57                   | 50.56                   |
|                                                    | <b>14,593.17</b>        | <b>12,327.10</b>        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - Financial risk management (contd)

#### A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group's exposure to customers is diversified and no single customer contributes to more than 10 percent of outstanding trade receivables. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

| Assets under credit risk   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------|-------------------------|-------------------------|
| Balance at the beginning   | 379.56                  | 298.30                  |
| Impairment loss recognised | (26.76)                 | 81.26                   |
| <b>Balance at the end</b>  | <b>352.80</b>           | <b>379.56</b>           |

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

| 31-Mar-26                     | Trade receivables     |                      |              |              |                      |           |
|-------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|-----------|
|                               | Less than<br>6 months | 6 months -<br>1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total     |
| Gross carrying amount         | 11,191.60             | 368.85               | 131.78       | 172.84       | 369.56               | 12,234.63 |
| Expected credit loss rate     |                       | 3.82%                | 21.07%       | 26.23%       | 71.88%               |           |
| Lifetime expected credit loss | -                     | 14.08                | 27.76        | 45.33        | 265.63               | 352.80    |

| 31-Mar-25                     | Trade receivables     |                      |              |              |                      |           |
|-------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|-----------|
|                               | Less than<br>6 months | 6 months -<br>1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years | Total     |
| Gross carrying amount         | 10,720.81             | 447.76               | 410.93       | 175.36       | 259.73               | 12,014.59 |
| Expected credit loss rate     |                       | 9.61%                | 6.05%        | 34.02%       | 97.02%               |           |
| Lifetime expected credit loss | -                     | 43.05                | 24.85        | 59.66        | 252.00               | 379.56    |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - Financial risk management (contd)

#### A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

### (B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As stated in note 19, the Group has implemented supplier finance arrangements with multiple financial institutions across the country. The Group's commercial contracts with vendors take into account several factors when determining payment terms. These include market conditions, origins of sourcing, and the ability of the vendor to obtain early financing, for example through supplier finance arrangements or direct arrangements with financial institutions. These factors lead to a diversity of payment terms throughout the Group, avoiding concentration of payment terms. The finance providers are in good financial condition, and the Group has no significant concentration on liquidity risk with these finance providers.

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 2026         | Less than<br>1 year | 1 year to<br>5 years | More than<br>5 years | Total            |
|-----------------------------|---------------------|----------------------|----------------------|------------------|
| Borrowings                  | 7,536.63            | 2,799.99             | -                    | 10,336.62        |
| Lease liabilities           | 174.56              | 530.59               | 464.59               | 1,169.74         |
| Trade payables              | 7,254.78            | -                    | -                    | 7,254.78         |
| Other financial liabilities | 4,584.40            | 2.47                 | -                    | 4,586.87         |
| <b>Total</b>                | <b>19,550.37</b>    | <b>3,333.05</b>      | <b>464.59</b>        | <b>23,348.01</b> |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - Financial risk management (contd)

| As at 31 March 2025         | Less than<br>1 year | 1 year to<br>5 years | More than<br>5 years | Total            |
|-----------------------------|---------------------|----------------------|----------------------|------------------|
| Borrowings                  | 8,255.43            | 606.08               | -                    | 8,861.51         |
| Lease liabilities           | 137.45              | 978.34               | -                    | 1,115.79         |
| Trade payables              | 5,664.14            | -                    | -                    | 5,664.14         |
| Other financial liabilities | 4,190.04            | 7.41                 | -                    | 4,197.45         |
| <b>Total</b>                | <b>18,247.06</b>    | <b>1,591.83</b>      | <b>-</b>             | <b>19,838.89</b> |

### (C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which results from both its operating and investing activities.

#### Foreign currency sensitivity

The Group operates internationally and a significant portion of the business is transacted in USD, JPY, GBP and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

| Included In                  | Currency | As at 31 March 2026           |                | As at 31 March 2025           |                |
|------------------------------|----------|-------------------------------|----------------|-------------------------------|----------------|
|                              |          | Amount in<br>foreign currency | Amount<br>in ₹ | Amount in<br>foreign currency | Amount<br>in ₹ |
| <b>Financial assets</b>      |          |                               |                |                               |                |
| Trade receivables            | USD      | 4.51                          | 429.72         | 3.05                          | 261.40         |
|                              | GBP      | 0.09                          | 11.90          | 0.12                          | 12.77          |
|                              | EURO     | 0.82                          | 89.84          | 1.02                          | 94.32          |
| EEFC balances                | USD      | 0.39                          | 36.84          | 0.01                          | 1.19           |
| <b>Financial liabilities</b> |          |                               |                |                               |                |
| Trade payables               | USD      | 12.93                         | 1,213.77       | 7.57                          | 650.57         |
|                              | JPY      | -                             | -              | 2.95                          | 1.71           |
|                              | EURO     | 0.28                          | 30.28          | 1.00                          | 92.52          |
| Capital payables             | JPY      | 98.55                         | 59.24          | -                             | -              |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 40 - 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.

| Particulars        | Increase<br>31 March 2026 | Decrease<br>31 March 2026 | Increase<br>31 March 2025 | Decrease<br>31 March 2025 |
|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Sensitivity</b> |                           |                           |                           |                           |
| INR/USD            | (7.65)                    | 7.65                      | (3.87)                    | 3.87                      |
| INR/EURO           | 0.59                      | (0.59)                    | 0.02                      | (0.02)                    |
| INR/JPY            | (0.59)                    | 0.59                      | 0.02                      | (0.02)                    |
| INR/GBP            | 0.12                      | (0.12)                    | 0.13                      | (0.13)                    |

#### Interest rate risk

##### Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2026, 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:

| Particulars                       | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------|------------------------|------------------------|
| Variable rate borrowing           | 9,758.36               | 8,304.45               |
| Fixed rate borrowing              | 578.26                 | 557.06                 |
| <b>Total borrowings</b>           | <b>10,336.62</b>       | <b>8,861.51</b>        |
| Amount disclosed under borrowings | 10,336.62              | 8,861.51               |

#### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

| Particulars                                             | 31 March 2026 | 31 March 2025 |
|---------------------------------------------------------|---------------|---------------|
| <b>Interest sensitivity</b>                             |               |               |
| Interest rates – increase by 100 basis points (100 bps) | 97.58         | 83.04         |
| Interest rates – decrease by 100 basis points (100 bps) | (97.58)       | (83.04)       |
| <b>Impact on Equity</b>                                 |               |               |
| Interest rates – increase by 100 basis points (100 bps) | 73.02         | 62.14         |
| Interest rates – decrease by 100 basis points (100 bps) | (73.02)       | (62.14)       |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures

| Nature of relationship                                                                            | Name of related parties                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I Associate companies</b>                                                                      | Sai India Limited<br>Bourton Consulting (India) Private Limited (till 30 September 2024)<br>AEPL Grotek Renewable Energy Private Limited                                                                                                                                                                                                                                                                 |
| <b>II Entity having significant influence</b>                                                     | Yuken Kogyo Co Limited                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>III Key Management Personnel (KMP)</b>                                                         |                                                                                                                                                                                                                                                                                                                                                                                                          |
| Managing Director                                                                                 | C P Rangachar                                                                                                                                                                                                                                                                                                                                                                                            |
| Whole Time Director                                                                               | Yoshitake Tanaka (till 20.09.2024)                                                                                                                                                                                                                                                                                                                                                                       |
| Chief Financial Officer                                                                           | H M Narasinga Rao                                                                                                                                                                                                                                                                                                                                                                                        |
| Chief Executive Officer                                                                           | A. Venkata Krishnan (Resigned w.e.f 27.04.2026)<br>Rakesh Kumar A ( Appointed w.e.f 29.04.2026)                                                                                                                                                                                                                                                                                                          |
| Company Secretary                                                                                 | Suhas H M (Appointed w.e.f. 31.07.2025)<br>Suchithra R (Resigned w.e.f. 16.06.2025)                                                                                                                                                                                                                                                                                                                      |
| Non Executive Directors:                                                                          | Premchander (Resigned w.e.f 02.09.2024)<br>Indra Prem Menon<br>R Srinivasan(Resigned w.e.f 02.09.2024)<br>Tadanori Okada (Appointed w.e.f 07.08.2024)<br>Vidya Rangachar (Resigned w.e.f 05.09.2024)<br>Hidemi Yasuki (Resigned w.e.f 05.09.2024)<br>Hideharu Nagahisa(Resigned w.e.f 05.09.2024)<br>Tadimalla Parabrahman<br>Kaleginanaoor Chandrashekhar Sharma<br>Yoshitake Tanaka (w.e.f 20.09.2024) |
| <b>Related party where transactions have taken place</b>                                          |                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>IV Close member of KMP</b>                                                                     | Madhuri Rangachar<br>Vidya Rangachar                                                                                                                                                                                                                                                                                                                                                                     |
| <b>V Entities controlled by significant shareholder</b>                                           | Yuken Hydraulics (T.W) Co Limited<br>Yuken Europe Limited<br>Yuken Korea Co Limited<br>Yuken Kogyo (Shanghai) Company Ltd.<br>Yuken Sea Co Limited<br>Yuken Hydraulics (Zhangjiangang) Co. Ltd<br>Yuken North America Corporation                                                                                                                                                                        |
| <b>VI Parties in which key management personnel or their relatives have significant influence</b> | Benefic Investment and Finance Company (Private) Limited<br>Nature Arbor LLP                                                                                                                                                                                                                                                                                                                             |
| <b>VII Post employment benefit plans</b>                                                          | Yuken India Employees Gratuity Trust<br>Yuken India Employees Superannuation Fund                                                                                                                                                                                                                                                                                                                        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures (contd)

#### VIII DeDetails of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party                                                       | Description of the relationship                                       | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Purchase of Property, plant and equipment</b>                                                    |                                                                       |                             |                             |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence                                   | 74.78                       | -                           |
| <b>Purchase of goods and services received</b>                                                      |                                                                       |                             |                             |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence                                   | 1,923.45                    | 1,324.91                    |
| Yuken Hydraulics (T.W) Co Limited                                                                   | Entity controlled by significant shareholder                          | 730.82                      | 923.89                      |
| Yuken Hydraulics (Zhangjiangang) Co. Ltd                                                            | Entity controlled by significant shareholder                          | 266.76                      | 341.01                      |
| Bourton Consulting (India) Private Limited*                                                         | Associate                                                             | -                           | 8.63                        |
| Sai India Limited                                                                                   | Associate                                                             | 6.09                        | -                           |
| * Note - Bourton Consulting (India) Private Limited ceases to be associate w.e.f. 30 September 2024 |                                                                       |                             |                             |
| <b>Brand fees expense</b>                                                                           |                                                                       |                             |                             |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence                                   | 138.63                      | 123.98                      |
| <b>Sale of goods and services</b>                                                                   |                                                                       |                             |                             |
| Yuken Kogyo Co Limited                                                                              | Entity having significant influence                                   | 750.24                      | 226.93                      |
| Yuken Hydraulics (T.W) Co Ltd                                                                       | Entity controlled by significant shareholder                          | 6.22                        | 2.37                        |
| Yuken Europe Limited                                                                                | Entity controlled by significant shareholder                          | 47.07                       | 30.49                       |
| Yuken Korea Co Ltd                                                                                  | Entity controlled by significant shareholder                          | 23.70                       | -                           |
| Yuken Sea Co Limited                                                                                | Entity controlled by significant shareholder                          | 15.35                       | 0.12                        |
| Yuken Kogyo (Shangai) Company Ltd.                                                                  | Entity controlled by significant shareholder                          | -                           | 8.82                        |
| Yuken North America Corporation                                                                     | Entity controlled by significant shareholder                          | 6.23                        | 0.54                        |
| Sai India Limited                                                                                   | Associate                                                             | 2.04                        | 7.07                        |
| <b>Other expenses</b>                                                                               |                                                                       |                             |                             |
| Nature Arbor LLP                                                                                    | Parties in which KMP or their close member have significant influence | 14.80                       | 6.60                        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures (contd)

VIII DeDetails of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party                    | Description of the relationship                                       | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Vidya Rangachar                                                  | Parties in which KMP or their close member have significant influence | 14.45                       | 0.75                        |
| AEPL Grotek Renewable Energy Private Limited                     | Associate                                                             | 20.79                       | -                           |
| <b>Dividend paid</b>                                             |                                                                       |                             |                             |
| Yuken Kogyo Co Limited                                           | Entity having significant influence                                   | 95.76                       | 87.00                       |
| C P Rangachar                                                    | KMP                                                                   | 1.27                        | 1.27                        |
| Vidya Rangachar                                                  | KMP                                                                   | 0.24                        | 0.24                        |
| Madhuri Rangachar                                                | Close member of KMP                                                   | 0.12                        | 0.12                        |
| Benefic Investment and Finance Company (Private) Limited         | Parties in which KMP or their close member have significant influence | 20.88                       | 20.88                       |
| <b>Guarantee Commission Income</b>                               |                                                                       |                             |                             |
| AEPL Grotek Renewable Energy Private Limited                     | Associate                                                             | 14.50                       | 14.48                       |
| <b>Guarantees given</b>                                          |                                                                       |                             |                             |
| AEPL Grotek Renewable Energy Private Limited                     | Associate                                                             | 240.00                      | 1,500.00                    |
| <b>Remuneration and short term benefits including commission</b> |                                                                       |                             |                             |
| C P Rangachar                                                    | KMP                                                                   | 141.69                      | 114.09                      |
| H M Narasinga Rao                                                | KMP                                                                   | 50.47                       | 68.64                       |
| Suchithra R                                                      | KMP                                                                   | -                           | 8.20                        |
| Suhas H M                                                        | KMP                                                                   | 9.12                        | -                           |
| A. Venkatakrishnan                                               | KMP                                                                   | 44.22                       | 53.81                       |
| Yoshitake Tanaka                                                 | KMP                                                                   | 3.60                        | 25.32                       |
| N S Mohanram                                                     | KMP                                                                   | -                           | -                           |
| Premchander                                                      | KMP                                                                   | -                           | 1.92                        |
| Indra Prem Menon                                                 | KMP                                                                   | 3.60                        | 1.92                        |
| Vidya Rangachar                                                  | KMP                                                                   | -                           | 1.92                        |
| R Srinivasan                                                     | KMP                                                                   | -                           | 1.92                        |
| Tadanori Okada                                                   | KMP                                                                   | 3.60                        | 1.92                        |
| Hidemi Yasuki                                                    | KMP                                                                   | -                           | 1.92                        |
| Kaleginanaoor Chandrashekhar Sharma                              | KMP                                                                   | 3.60                        | 1.92                        |
| Parabrahman Tadimalla                                            | KMP                                                                   | 3.60                        | 1.92                        |
| <b>Director's Sitting fee</b>                                    |                                                                       |                             |                             |
| Premchander                                                      | KMP                                                                   | -                           | 2.00                        |
| Indra Prem Menon                                                 | KMP                                                                   | 4.20                        | 3.00                        |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures (contd)

#### VIII DeDetails of related parties transactions for the year ended 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party        | Description of the relationship              | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|------------------------------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
| Vidya Rangachar                                      | KMP                                          | -                           | 0.80                        |
| R Srinivasan                                         | KMP                                          | -                           | 1.70                        |
| Kenichi Takaku                                       | KMP                                          | -                           | -                           |
| Hidemi Yasuki                                        | KMP                                          | -                           | 0.80                        |
| Hideharu Nagahisa                                    | KMP                                          | -                           | 0.80                        |
| Parabrahman Tadimalla                                | KMP                                          | 4.80                        | 2.00                        |
| Kaleginanaoor Chandrashekhar Sharma                  | KMP                                          | 4.50                        | 2.30                        |
| Tadanori Okada                                       | KMP                                          | 2.40                        | 0.90                        |
| Yoshitake Tanaka                                     |                                              | 2.40                        | 0.60                        |
| <b>Reimbursement of expense(net)</b>                 |                                              |                             |                             |
| Yuken Kogyo Co Limited                               | Entity having significant influence          | 21.96                       | 23.06                       |
| Yuken Europe Limited                                 | Entity controlled by significant shareholder | -                           | 5.14                        |
| <b>Contribution to post employment benefit plans</b> |                                              |                             |                             |
| Yuken India Employees Gratuity Trust                 | Post employment benefit plans                | 50.00                       | 156.29                      |
| Yuken India Employees Superannuation Fund            | Post employment benefit plans                | 44.86                       | 42.19                       |

#### IX Details of amounts outstandings from related parties as at 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party         | Description of the relationship              | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-------------------------------------------------------|----------------------------------------------|------------------------|------------------------|
| <b>Advance towards purchase of goods and services</b> |                                              |                        |                        |
| AEPL Grotek Renewable Energy Private Limited          | Associate                                    | 96.50                  | -                      |
| <b>Trade Receivables</b>                              |                                              |                        |                        |
| Yuken Kogyo Co Limited                                | Entity having significant influence          | 283.55                 | 100.40                 |
| Yuken Europe Limited                                  | Entity controlled by significant shareholder | 11.90                  | 12.77                  |
| Yuken Hydraulics (T.W) Co Limited                     | Entity controlled by significant shareholder | 1.79                   | -                      |
| AEPL Grotek Renewable Energy Private Limited          | Associate                                    | 31.95                  | 14.48                  |
| <b>Reimbursement of expenses receivables</b>          |                                              |                        |                        |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures (contd)

#### IX Details of amounts outstandings from related parties as at 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party | Description of the relationship                                       | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------------------|-----------------------------------------------------------------------|------------------------|------------------------|
| Yuken Kogyo Co Limited                        | Entity having significant influence                                   | -                      | 15.13                  |
| <b>Investment in shares held</b>              |                                                                       |                        |                        |
| Sai India Limited                             | Associate                                                             | 674.91                 | 614.09                 |
| AEPL Grotek Renewable Energy Private Limited  | Associate                                                             | 442.31                 | 534.44                 |
| <b>Trade Payables</b>                         |                                                                       |                        |                        |
| Yuken Kogyo Co Limited                        | Entity having significant influence                                   | 805.64                 | 437.41                 |
| Yuken Hydraulics (T.W) Co Ltd                 | Entity controlled by significant shareholder                          | 187.51                 | 283.77                 |
| Yuken Hydraulics (Zhangjiangang) Co. Ltd      | Entity controlled by significant shareholder                          | 205.79                 | 66.44                  |
| Vidya Rangachar                               | Parties in which KMP or their close member have significant influence | 1.17                   | -                      |
| <b>Capital Payables</b>                       |                                                                       |                        |                        |
| Yuken Kogyo Co Limited                        | Entity having significant influence                                   | 59.24                  | -                      |
| <b>Commission Payable</b>                     |                                                                       |                        |                        |
| Yoshitake Tanaka                              | KMP                                                                   | 3.60                   | 1.92                   |
| Premchander                                   | KMP                                                                   | -                      | 1.92                   |
| Indra Prem Menon                              | KMP                                                                   | 3.60                   | 1.92                   |
| Vidya Rangachar                               | Close member of KMP                                                   | -                      | 1.92                   |
| R Srinivasan                                  | KMP                                                                   | -                      | 1.92                   |
| Tadanori Okada                                | KMP                                                                   | 3.60                   | 1.92                   |
| Hidemi Yasuki                                 | KMP                                                                   | -                      | 1.92                   |
| Parabrahman Tadimalla                         | KMP                                                                   | 3.60                   | 1.92                   |
| Kaleginanaoor Chandrashekhar Sharma           | KMP                                                                   | 3.60                   | 1.92                   |
| Hideharu Nagahisa                             | KMP                                                                   | -                      | 1.92                   |
| <b>Salary Payable</b>                         |                                                                       |                        |                        |
| C P Rangachar                                 | KMP                                                                   | 8.40                   | 6.80                   |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 41 - Related party disclosures (contd)

#### IX Details of amounts outstandings from related parties as at 31 March 2026 and 31 March 2025 are as follows :

| Nature of transactions/ Name of related party | Description of the relationship | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------------------|---------------------------------|------------------------|------------------------|
| H M Narasinga Rao                             | KMP                             | 3.79                   | 3.60                   |
| Suchithra R                                   | KMP                             | -                      | 0.65                   |
| Suhas H M                                     | KMP                             | 1.03                   | -                      |
| A. Venkatakrishnan                            | KMP                             | 3.16                   | 3.16                   |
| <b>Guarantees outstanding</b>                 |                                 |                        |                        |
| AEPL Grotek Renewable Energy Private Limited  | Associate                       | 1,690.00               | 1,500.00               |

#### Note:

- The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences.

### Note 42 - Leases

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2026 and its comparatives on an undiscounted basis:

| Particulars                                 | As at<br>31 March 2026 | As at<br>31 March 2025 |
|---------------------------------------------|------------------------|------------------------|
| Within one year                             | 174.56                 | 137.45                 |
| After one year but not more than five years | 530.59                 | 978.34                 |
| More than five years                        | 464.59                 |                        |
|                                             | <b>1,169.74</b>        | <b>1,115.79</b>        |

| Particulars                                              | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Amount recognised in Statement of Profit and Loss</b> |                             |                             |
| Depreciation on right of use assets                      | 199.99                      | 127.14                      |
| Interest on lease liabilities                            | 94.19                       | 58.14                       |
| Expenses relating to short term leases                   | 314.57                      | 292.97                      |
| <b>Amount recognised in Statement of Cash Flow</b>       |                             |                             |
| Total cash outflow for leases - principal                | 149.14                      | 103.23                      |
| Total cash outflow for leases - interest                 | 94.20                       | 58.14                       |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43

**Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries/ associates for the year ended 31 March 2026**

| Name of the entity                                      | Net assets, i.e., total assets minus total liabilities |                  | Share of profit/ (loss) |                 | Share of OCI |                | Share of total comprehensive income |                 |
|---------------------------------------------------------|--------------------------------------------------------|------------------|-------------------------|-----------------|--------------|----------------|-------------------------------------|-----------------|
|                                                         | %                                                      | Amount           | %                       | Amount          | %            | Amount         | %                                   | Amount          |
| Yuken India Limited                                     | 96%                                                    | 35,703.16        | 93%                     | 1,335.62        | 119%         | (45.50)        | 92%                                 | 1,290.12        |
| <b>Subsidiaries</b>                                     |                                                        |                  |                         |                 |              |                |                                     |                 |
| Coretec Engineering India Private Limited, India        | 0%                                                     | (27.48)          | -14%                    | (194.72)        | -10%         | 3.78           | -14%                                | (190.94)        |
| Grotek Enterprises Private Limited, India               | 7%                                                     | 2,453.78         | 39%                     | 558.54          | -9%          | 3.56           | 40%                                 | 562.10          |
| Kolben Hydraulics Limited, India                        | 0%                                                     | (83.89)          | -12%                    | (176.72)        | 0%           | -              | -13%                                | (176.72)        |
| <b>Associates (Investment as per the equity method)</b> |                                                        |                  |                         |                 |              |                |                                     |                 |
| Sai India Limited, India                                | 0%                                                     | -                | 4%                      | 60.89           | -            | -              | 4%                                  | 60.89           |
| Bourton Consulting (India) Private Limited, India       | -                                                      | -                | 0%                      | -               | -            | -              | 0%                                  | -               |
| AEPL Grotek Renewable Energy Private Limited, India     | 0%                                                     | -                | -6%                     | (91.85)         | -            | -              | -7%                                 | (91.85)         |
| Non-controlling interest in subsidiary                  | 0%                                                     | (2.81)           | -1%                     | (8.28)          | -            | -              | -1%                                 | (8.28)          |
| Intercompany elimination and consolidation adjustments  | -2%                                                    | (730.29)         | -3%                     | (44.45)         | -            | -              | -3%                                 | (44.45)         |
| <b>Total</b>                                            | <b>100%</b>                                            | <b>37,312.47</b> | <b>100%</b>             | <b>1,439.03</b> | <b>100%</b>  | <b>(38.16)</b> | <b>100%</b>                         | <b>1,400.87</b> |

**Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries/ associates for the year ended 31 March 2025**

| Name of the entity                                      | Net assets, i.e., total assets minus total liabilities |           | Share of profit/ (loss) |          | Share of OCI |         | Share of total comprehensive income |          |
|---------------------------------------------------------|--------------------------------------------------------|-----------|-------------------------|----------|--------------|---------|-------------------------------------|----------|
|                                                         | %                                                      | Amount    | %                       | Amount   | %            | Amount  | %                                   | Amount   |
| Yuken India Limited                                     | 95%                                                    | 28,624.96 | 56%                     | 1,384.00 | 92%          | (94.39) | 55%                                 | 1,289.61 |
| <b>Subsidiaries</b>                                     |                                                        |           |                         |          |              |         |                                     |          |
| Coretec Engineering India Private Limited, India        | 1%                                                     | 163.46    | 0%                      | (11.82)  | 2%           | (2.52)  | -1%                                 | (14.34)  |
| Grotek Enterprises Private Limited, India               | 6%                                                     | 1,891.68  | 30%                     | 740.37   | 5%           | (5.44)  | 31%                                 | 734.93   |
| Kolben Hydraulics Limited, India                        | 0%                                                     | 92.84     | -2%                     | (39.18)  | 0%           | -       | -2%                                 | (39.18)  |
| <b>Associates (Investment as per the equity method)</b> |                                                        |           |                         |          |              |         |                                     |          |
| Sai India Limited, India                                | 0%                                                     | -         | 3%                      | 64.25    | 0%           | -       | 3%                                  | 64.25    |

## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 43 (contd)

| Name of the entity                                     | Net assets, i.e., total assets minus total liabilities |                  | Share of profit/ (loss) |                 | Share of OCI |                 | Share of total comprehensive income |                 |
|--------------------------------------------------------|--------------------------------------------------------|------------------|-------------------------|-----------------|--------------|-----------------|-------------------------------------|-----------------|
|                                                        | %                                                      | Amount           | %                       | Amount          | %            | Amount          | %                                   | Amount          |
| Bourton Consulting (India) Private Limited, India      | 0%                                                     | -                | 0%                      | 0.10            | 0%           | -               | 0%                                  | 0.10            |
| AEPL Grotek Renewable Energy Private Limited, India    | 0%                                                     | -                | 0%                      | 0.77            | 0%           | -               | 0%                                  | 0.77            |
| Non-controlling interest in subsidiary                 | 0%                                                     | (5.47)           | 0%                      | 1.84            | 0%           | -               | 0%                                  | 1.84            |
| Intercompany elimination and consolidation adjustments | -2%                                                    | (652.24)         | 13%                     | 321.67          | 0%           | -               | 14%                                 | 321.67          |
| <b>Total</b>                                           | <b>100%</b>                                            | <b>30,115.23</b> | <b>100%</b>             | <b>2,462.00</b> | <b>100%</b>  | <b>(102.35)</b> | <b>100%</b>                         | <b>2,359.65</b> |

### Note 44

The group also has interests in a number of individually associates that are accounted for using the equity method for the year ended 31 March 2026

| Name of the Company                          | Opening balance | Transactions during the year | Profit/(Loss) as at 31 March 2026 | Carrying amount of Investments at 31 March 2026 |
|----------------------------------------------|-----------------|------------------------------|-----------------------------------|-------------------------------------------------|
| Sai India Limited                            | 614.09          | -                            | 60.89                             | 674.98                                          |
| AEPL Grotek Renewable Energy Private Limited | 534.44          | -                            | (91.85)                           | 442.59                                          |
| <b>Total</b>                                 | <b>1,148.53</b> | <b>-</b>                     | <b>(30.96)</b>                    | <b>1,117.57</b>                                 |

The group also has interests in a number of individually associates that are accounted for using the equity method for the year ended 31 March 2025

| Name of the Company                          | Opening balance | Transactions during the year | Profit/(Loss) as at 31 March 2025 | Carrying amount of Investments at 31 March 2025 |
|----------------------------------------------|-----------------|------------------------------|-----------------------------------|-------------------------------------------------|
| Sai India Limited                            | 549.84          | -                            | 64.25                             | 614.09                                          |
| Bourton Consulting (India) Private Limited   | 2.35            | (2.45)                       | 0.10                              | -                                               |
| AEPL Grotek Renewable Energy Private Limited | 264.68          | 268.99                       | 0.77                              | 534.44                                          |
| <b>Total</b>                                 | <b>816.87</b>   | <b>266.54</b>                | <b>65.12</b>                      | <b>1,148.53</b>                                 |



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

### Note 45 - Other statutory information

1. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
2. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
4. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
5. The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
6. The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Group.
7. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
8. The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.
9. No charges or satisfaction yet to be registered with ROC beyond the statutory period.
10. No proceeding have been initiated on or is pending against the group for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### Note 46 - Management note on audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, incorporated in India, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and one subsidiary. Accounting software administration guide states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.



## Summary of material accounting policies and other explanatory information

for the year ended March 31, 2026

All amounts are in ₹ lakhs, unless otherwise stated

One subsidiary have used accounting software for maintaining its books of account which does not has a feature of recording audit trail (edit log) facility until 10 June 2025.

One subsidiary have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) but the same was enabled from 27 July 2024.

Additionally, the audit trail has been preserved by the Group as per the statutory requirements for record retention where such feature was enabled.

### Note 47 - Impact of New Labour Code

Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes, collectively referred to as the 'New Labour Codes'. The Group has assessed the financial implications of the New Labour Codes and has recognised an incremental expense of ₹62.09 Lakhs, during the year ended 31 March 2026.

The Group continues to monitor the developments relating to the implementation of the New Labour Codes and will review the estimates."

As per our report of even date attached

**For Walker Chandiok & Co LLP**

**Chartered Accountants**

**Firm Registration No.: 001076N/N500013**

**Lokesh Khemka**

Partner

Membership No.: 067878

**Parabrahman Tadimalla**

Director

DIN: 01392252

**Kaleginanaoor Chandrashekhar Sharma**

Director

DIN: 09505130

**C P Rangachar**

Managing Director

DIN: 00310893

Bengaluru

May 26, 2026

**H M Narasinga Rao**

Chief Financial Officer

**Suhas H M**

Company Secretary

ACS : 75309

**Rakesh Kumar A**

Chief Executive officer





BOOK POST

To

*If undelivered please return to*

**Yuken India Limited**

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