

BOARD OF DIRECTORS

Mr. Hideki Matsubayashi- Chairman of the Board

Mr. Sajiv Ravindran Nath- Managing Director

Mr. Akira Fukuda- Director

Mr. Shailendra Mohan Shete - Director

Ms. Naoka Ehara- Director

Mr. Pierre E De Vuyst- Director

Mr. P N Karanth- Independent Director

Mr. S Janakiraman- Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Sajiv Ravindran Nath- Managing Director

Mr. Aurosarathi Shah- Chief Financial Officer

Mr. B S Srinivasa- Company Secretary

AUDITORS

M/s. Deloitte Haskins & Sells

Chartered Accountants, Bengaluru

INTERNAL AUDITOR

M/s. Grant Thornton India LLP

Chartered Accountants, New Delhi

SECRETARIAL AUDITORS

V. Sreedharan & Associates

Company Secretaries, Bengaluru, Karnataka

BANKERS

State Bank of India

ICICI Bank Limited

Mizuho Bank Limited

Bank of Tokyo Mitsubishi Limited

YOKOGAWA INDIA LIMITED

CIN: U74210KA1987FLC008304

Regd. Off.: 96, Electronic City Complex, Hosur Road, Bangalore – 560100

Tel: 080 41586000 / Fax: 080 28521442

Website: www.yokogawa.com / e-mail: srinivasa.bs@in.yokogawa.com

Notice of the 31st Annual General Meeting

NOTICE is hereby given that the 31st Annual General Meeting of the Shareholders of the Company will be held on Wednesday 26th of September 2018 at 11 am at the Shanri-La Hotel, No. 56-6B, Palace Road, Bengaluru - 560 052 Karnataka, to transact the following business:

AGENDA

Ordinary Business:

1. To consider and adopt the Audited Annual Financial Statements of the Company comprising of the Statement of Profit and Loss for the financial year ended 31st March 2018, the Balance Sheet and the Cash Flow Statement as at that date together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare a dividend if any, for the year ended 31st March 2018.
3. To appoint a Director in the place of Ms. Naoko Ehara (DIN: 07134915) who retires by rotation and being eligible, offers herself for re-appointment.

Pursuant to the amendment in the section 139 of the act, ratification of the appointment of the Auditor at every Annual General Meeting has been deleted.

Special Business:

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution:
“RESOLVED THAT Mr. Sajiv Ravindran Nath who was appointed as the Managing Director of the Company pursuant to the resolution passed by the Board of Directors during the 147th meeting held on 13th November 2017 for the period of 5 years and for a remuneration not exceeding the limit prescribed by the provisions of Section 197 of the Act and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 152 of the Companies Act, 2013 and in respect of which the Company have received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the Company, be and is hereby appointed as Managing Director of the Company.”
5. To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution:
“RESOLVED THAT consent be and is hereby given for the appointment of Mr. Naoki Nakamura as a Whole-time Director and the remuneration not exceeding the limit prescribed by the provisions of Section 197 of the Act and paid thereon for the period for which he held the office of Director prior to his cessation as Director upon the resignation from the services of the company”.
6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution:
“RESOLVED THAT Mr. Pierre E De Vuyst who was appointed as an Additional Director of the Company pursuant to the Resolution passed by the Board of Directors during the 149th meeting held on 7th June 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 152 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

Explanatory statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 4:

Pursuant to the provisions of sections 161 (appointment of Additional Director), Section 196 (appointment of Managing Director) read with section 197 & 198 (Managerial Remuneration) and Section 203 (appointment of key managerial personnel), Mr. Sajiv Ravindran Nath, was appointed as Managing Director of the Company by the Resolution passed by the Board of Directors during the 147th Meeting held on 13th November 2017 at the Registered Office of the Company. Mr. Sajiv Nath who is a Bachelor in Engineering with Master Degree in Business Management carry over 28 years of Industrial Experience working with various reputed companies. His appointment as a Director was proposed by a member in writing pursuant to the provisions of the Act.

None of the Directors are interested in this business except Mr. Sajiv Ravindran Nath as Managing Director of the Company.

Item No. 5:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Section 160 of the Companies Act, 2013, Mr. Naoki Nakamura was appointed as an additional Director by the resolution passed by the Board of Directors during the 146th Meeting and the same was ratified by the members of the Company in the subsequent 30th Annual General Meeting of the Company. Mr. Naoki Nakamura however have appointed as a Director on whole time basis pursuant to the resolution passed by the Board during the 147th meeting held on 13th November 2017 wherein it was resolved to seek approval by the shareholders in the subsequent Annual General Meeting of the Company. The appointment and the remuneration payable to Mr. Nakamura require an approval by the central government. Mr. Naoki Nakamura however ceased as Director upon his resignation and subsequent resolution by the Board of Directors during the 149th Meeting held on 7th June 2018.

None of the Directors are interested in the Business except Mr. Naoki Nakamura as a Whole Time Director at the time of his appointment.

Item No. 6:

Mr. Pierre E De Vuyst was appointed as an Additional director on the Board of the Company, pursuant to the resolution passed by the Board during the 149th meeting held on 7th June 2018 at the Registered Office of the Company. Mr. Pierre shall hold the office of Director upto the conclusion of this Annual General Meeting pursuant to the provisions of the Section 152 of the Companies Act, 2013. The Company have received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Pierre D Vuyst for the office of the Director of the company. Accordingly, the resolution as set out in item 7.

None of the Directors are interested except Mr. Pierre as an additional Director on the Board of the Company.

Your directors recommend the resolutions as set out in item 5, 6 & 7 of the agenda for the approval of the members.

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.**

Pursuant to Rule 19(2) of the Companies (Management and Administration) Rules, 2014 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Shareholders intending to acquire information about the Financial Statements to be explained at the meeting are requested to inform the Company at least a week in advance of their intention to do so that the papers relating thereto may be available if the Chairman of the meeting permits such information to be furnished.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
5. Members are requested to note that the venue of the 31st Annual General Meeting is situated opposite to the Infosys Gate No.4 and the route map containing the complete particulars of the venue of the 31st Annual General Meeting is attached to this Notice. The Members can also access the route map on the Company's website www.yokogawa.com.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the company will remain closed from **20.09.2018 to 26.09.2018** (both days inclusive) for determining the names of the members eligible for dividend on equity shares, if declared at the meeting.
7. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 Dividends which are remaining unclaimed or not encashed within a period of seven years from the date of transfer to the Company's unpaid Dividend account will be transferred to the Investor Education and Protection Fund established under Section 125 of the said Act. Members who have not yet encashed the dividend warrant(s) are requested to forward their claims immediately to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above not claim shall lie with the Company in respect of such amount.

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8. Members are requested to notify immediately the changes, if any, in their registered addresses along with respective address proof and bank particulars to the Company or to its Registrar and Share Transfer Agents, viz. M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District Gachibowli, Hyderabad 500 032 or directly to their respective Depository Participant (DP) in case shares are held in demat form.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
10. Members who are holding shares in physical form are requested to convert their holdings into dematerialized form in order to eliminate the risks associated with physical form of shares.
11. Members may note that it is mandatory to submit the Permanent Account Number (PAN) by every participant in the Securities Market. The Members who are holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom the DEMAT Account/s is/are maintained. The Members who are holding shares in physical form may submit their PAN either to the Company or the Registrar and Share Transfer Agent of the Company.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members who are holding shares in physical form are provided with the facility to nominate any person in respect of their shares held in physical form by submitting necessary Nomination Forms in the prescribed Form No.SH-14 either with the Company or with the Registrar and Share Transfer Agent of the Company. The Members may contact the Company or with the Registrar and Share Transfer Agent of the Company for any assistance.
13. The shareholders may note that electronic copy of the Notice of the 31st Annual General Meeting along with instructions on voting and remote e-voting, attendance slip, proxy form etc., and the Annual Report 2018 are being sent to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. Other shareholders who have not registered their e-mail addresses, physical copies of the same is being sent through any of the permitted mode.
14. Members may also note that the Notice of the 31st Annual General Meeting along with instructions on voting and remote e-voting, attendance slip, proxy form etc., and the Annual Report 2018 will be available on the Company's website, www.yokogawa.com and on the website of M/s. Karvy Computershare Private Limited www.karvycomputershare.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on any working day.
15. As per green Initiative taken by the Ministry of Corporate Affairs, members are advised to register their e-mail address with the Company in respect of shares held in Physical form and with the concerned Depository participants in respect of shares held in demat form to enable the Company to serve documents in electronic form.

The Shareholders are requested to communicate all their correspondence including share transfer to M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District Gachibowli, Hyderabad 500 032.

16. Disclosure as required under Secretarial Standard on General Meetings (SS)-2 is given as Annexure this Notice.
17. Voting through electronic means:
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is pleased to provide the facility to Members to exercise their right to vote through remote e-voting process. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 20.09.2018, i.e. the date prior to the commencement of book closure date, are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 23.09.2018 and will end at 5.00 p.m. on 25.09.2018. The facility for voting through polling / ballot paper shall also be made available at the 31st Annual General Meeting and the members attending the meeting and those who have not already cast their vote through remote e-voting shall be eligible to vote through 'polling/ballot paper' at the meeting.
 - II. The Members who have cast their vote through remote e-voting prior to the date of the 31st Annual General Meeting may also attend the 31st Annual General Meeting but shall not be entitled to cast their vote again.
 - IV. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The Members desiring to vote through remote e-voting process may refer to the detailed procedure given hereinafter;
 - (a) In case of Members receiving an e-mail from Karvy:
 - Launch an internet browser and open <https://evoting.karvy.com>
 - Enter the login credentials (i.e. User ID and password). The Event No. +Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- After entering the above details Click on - Login.
- Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- On successful login, the system will prompt you to select the E-Voting Event
- Select the EVENT of Yokogawa India Limited and click on - Submit.
- Now you are ready for e-voting as 'Cast Vote' page opens.
- Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at pbk@sreedharancs.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip.

- Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN(E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- Please follow all steps mentioned in Point (a) above, to cast vote.

V. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com> or write e-mail to evoting@karvy.com or contact the following person;

Name : B S Srinivasa
 Designation : Company Secretary
 Address : 96, Electronics City Complex, Hosur Road, Bangalore-560 100.
 E-mail ID : srinivasa.bs@in.yokogawa.com
 Phone Number : +91 (0)80 41586000

VI. The voting rights shall be as per the number of equity share held by the Member(s) as on 19.09.2018. Members are eligible to cast vote electronically only if they are holding shares as on that date.

VII. In accordance with the Companies (Management and Administration) Rules, 2014 (as amended) the remote e-voting period shall commence at 9.00 a.m. on 23.09.2018 and will end at 5.00 p.m. on 25.09.2018 i.e. the date preceding the date of AGM and the e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.

VIII. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

IX. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

X. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567

- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

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- c. Member may call Karvy's toll free number 1-800-3454-001
 - d. Member may send an e-mail request to evoting@karvy.com
18. The Company has appointed M/s. V Sreedharan Associates, Company Secretaries, Bangalore to scrutinize the Poll process and remote e-voting process in a fair and transparent manner.
19. The Results shall be declared within 3 days of the conclusion of the 31st Annual General Meeting by the Chairman or a person authorised by him in writing.
20. The results declared along with the Consolidated Report of the Scrutinizer will be available on the Company's website www.yokogawa.com and on the website of M/s. Karvy Computershare Private Limited viz., www.karvycomputershare.com immediately after the results is declared by the Chairman or the person authorised by him.

By Order of the Board
For **Yokogawa India Limited**

B.S. Srinivas
Company Secretary

Place : Bangalore
Date : 23.08.2018

Annexure to the Explanatory Statement
[Pursuant to the Secretarial Standard (SS) - 2 issued by the Institute of Company Secretaries of India ("ICSI")]
Particulars of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Name	Sajiv Ravindran Nath	Mr. Pierre E De Vuyst	Naoko Ehara	Naoki Nakamura
DIN	02201563		07134915	07901032
Date of Birth	04.12.1967	04.12.1959	21.02.1964	28-June-1964
Age	51	63	54 yrs	52 yrs
Qualification	B. E, MBA	Engineer	Graduate	Graduate
Experience	30 yrs	35 yrs	22 yrs	30 yrs
Area of Expertise	Sales, Management & Administration	Management & Administration	Human Resources Management	Sales, Management & Administration
Date of first Appointment on the Board	13.11.2017	07.06.2018	31.03.2015	08.08.2017
Inter-se relationship with other Director / Manager and other KMP	No Relationship	No Relationship	No Relationship	No Relationship
No. of Shares held in the Company	NIL	NIL	NIL	NIL
Board Position held	Managing Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
Terms and Conditions of Appointment / Re-appointment	Appointment as Managing Director for period of 5 years	Appointed as Director and liable to retire by rotation	Appointed as Director and liable to retire by rotation	Appointment as Director and liable to retire by rotation
Remuneration sought to be paid	As per the contract	NIL	NIL	NIL
Remuneration last drawn(if applicable)	Not applicable	Not Applicable	Not Applicable	Not Applicable
Number of Board Meetings attended during the year	2	NIL	4	2
Other Directorships held	NIL	<ul style="list-style-type: none"> •Yokogawa Middle East & Africa B S C(c) •Yokogawa Saudi Arabia Company •Yokogawa South Africa (Pty) Limited •Yokogawa African Anglophone Region <ul style="list-style-type: none"> •Yokogawa Nigeria Limited •Yokogawa Services Solutions Nigeria Limited •Yokogawa Africa Holding B.V 	NIL	NIL
Chairmanship / Membership in the Committees of the Board of Other Companies	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 31st Annual Report of the Company along with audited accounts for the period ended 31st March, 2018 covering 12 months of operation.

FINANCIAL HIGHLIGHTS:

The financial results for the year ended 31st March 2018 are furnished below.

(Rs. in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Revenue	92,999.77	86,664.69
Profit before Finance Cost, Depreciation & Taxes	12,985.41	9,085.16
Less: Finance Cost	40.19	20.34
Depreciation and Amortization Expense	981.02	1,121.87
Profit Before Tax	11,964.20	7,942.95
Less: Tax Expense	4,134.65	2,785.92
Profit After Tax	7,829.55	5,157.03
Add: Surplus in Profit & Loss Account	10,817.21	8,819.54
Amount available for appropriation	7,829.55	5,157.03
Less: Appropriations	-	-
Dividend Paid	2,625.00	2,625.00
Tax on Dividend	534.48	548.70
Amount transferred to General Reserve	1,000	
Excess/(short) relating to previous year		(14.34)
Surplus in Profit & Loss Account carried over to Balance Sheet	14,487.28	10,817.21

REVIEW OF BUSINESS OPERATIONS:

Yokogawa Electric Corporation, is globally a 100-year-old company and a leading provider of Industrial Automation and Test & Measurement solutions, combining superior technology with engineering services, project management and maintenance. Yokogawa India Limited, a subsidiary of Yokogawa Electric Corporation is in the business manufacturing, trading and servicing in Industrial Automation systems to various industries for 3 decades in India catering to various Industries in general and the continuous process flow industries specifically.

The business of the company is mainly dependent on the growth in the sectors like Oil & Gas, Chemicals, Power, Iron & Steel, Pulp & Paper, Pharma, Food and others wherein the automation helps in bringing quality outputs with lesser manual intervention with better safety management, optimization of power and improve the return on investments.

The year under report was a moderate year for the growth in the sectors wherein the company is most interested in its business. Products, Solutions and the Services are the major business segments in which the company is in India and over period the market in these segments are matured with the significant competitors operating in the country.

The current year of operations saw an improvement in the orders intake which ended up with **Rs.85,892.61/- lakhs**, compared to the previous year's of **Rs.84,730.22/-lakhs**. The company ended with an annual turnover of **Rs. 91,714.16/- Lakhs**, with **Rs. 30,621.27/- Lakhs** from Systems, **Rs.26,750.74/-lakhs** from products, **Rs. 7,014.55/-Lakhs** from solutions and **Rs. 8,964.44/-lakhs** from Services business segments. The company's exports clocked a turnover of **Rs. 18,363.16/-lakhs** for the year under reference which is a decline compared to the previous year by **-4.73%**. The earnings of the company also improved over the previous year with the Profit before tax for the yearended for 31 March 2018 at **Rs.11,964.20/-lakhs. (Rs. 7,942.95/-lakhs for 2016-17)**.

About the futuristic estimation, the directors expect that the government initiatives on investments and the surge in the demand for the oil, the company expects better prospects in the sectors where the business interest occurs. The products in the business are energy efficient and cost effectiveness giving edge to the company over competitors. Yokogawa a technology driven company, always committed to serve the society by making available the innovative and latest technology products in

line with the Indian Market requirements, Company therefore expect potential growth in its order booking position, sales turnover from various business segments and expects improvement in the earnings in the coming years.

DIVIDEND:

Your directors are expected to initiate strategies to improve the overall business position of the company in the Indian market. These initiatives undertaken across the company are expected to enhance the business value and improve the deliverables of the business in the Indian market. Your Directors expect that the company requires significant investments for this purpose and are of the opinion that the existing resources should be retained within the company.

The Directors therefore have decided to recommend to the shareholders during the 31st Annual General Meeting of the company to retain the earnings within the company for the year ending 31st March 2018.

TRANSFER TO RESERVES:

Your Directors have proposed to retain the earnings under the "Surplus in Profit & Loss account" instead of transferring to the General Reserves account of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of the provisions of Section 125 of the Companies Act, 2013, the Company has transferred all the amounts of unclaimed or unpaid Dividend, that were required to be transferred to the Investor Education and Protection Fund established by the Central Government within the prescribed time limit.

SHARE CAPITAL:

The issued, subscribed and paid-up share capital of the Company as at 31.03.2018 stood at Rs.8,75,00,000/- divided into 87,50,000 equity shares of Rs.10/- each. During the year under review the Company has not made any fresh issue of shares.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return pursuant to Section 92(3) read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in the prescribed Form No.MGT-9 **Annexure No.1** to this Report.

BOARD AND COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW:

The number and date(s) of Board and its Committee Meeting(s) held during the year under review are as follows;

Sl. No.	Board of Director	Audit Committee	Nomination & Remuneration Committee	CSR Committee	Stakeholders Relationship Committee
1.	10.04.2017	-	10.04.2017	-	—
2.	08.08.2017	08.08.2017	08.08.2017	08.08.2017	08.08.2017
3.	13.11.2017	—	13.11.2017	—	13.11.2017
4.	07.03.2018	07.03.2018	—		07.03.2018

Further, the particulars of attendance of each Director at the Board and its Committee Meeting(s) held during the year under review are as per the details given below:

Name of the Director	Board Meetings		Board Meetings		Nomination & Remuneration Committee		CSR Committee		Stakeholders Relationship Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Tsutomu Murata	4	3	NA	NA	NA	NA	2	1	3	2
Akira Fukuda	4	4	2	2	NA	NA	NA	NA	NA	NA
Hideki Matsubayashi	4	4	NA	NA	NA	NA	NA	NA	NA	NA
Sajiv Ravindran Nath	4	2	2	1	NA	NA	NA	NA	3	1
Naoki Nakamura	4	3	2	1	NA	NA	NA	NA	NA	NA
Shailendra Mohan Shete	4	4	NA	NA	3	3	NA	NA	NA	NA
Naoko Ehara	4	4	NA	NA	NA	NA	NA	NA	NA	NA
S. Janakiraman	4	4	2	2	3	3	2	2	3	3
PN.Karanth	4	4	2	2	3	3	2	2	3	3

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DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

The Directors have noted that there were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure No.2** to this report.

COMMENTS ON AUDITORS' REPORT:

Your Board of Directors noted that there were no observations, qualifications, reservations or adverse remarks reported by the Statutory Auditors.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the period under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements made with related parties on arm's length basis pursuant to Section 188 of the Companies Act, 2013 is furnished in the prescribed Form No.AOC-2 as per **Annexure No.3** to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments occurred between the financial year end 31st March 2018 and the date of the report which has the potential of affecting the financial position of the Company.

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

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure No.4** to this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has in place necessary mechanism, commensurate with the size and nature of operations of the Company, to identify, assess, monitor and mitigate various risks to key business objectives. Even though the Company have not maintained any risk specific management policy, major risks identified by the businesses and functions are systematically addressed through meticulous plans of actions on a continuing basis. The Audit Committee constituted under Section 178 of the Companies Act, 2013 is responsible for periodical evaluation of the adequacy and effectiveness of the risk management system of the Company.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM:

The Audit Committee was reconstituted during the year by inclusion of the following members

- | | | | |
|----|--------------------|---|------------------------------------|
| 1. | Mr. S. Janakiraman | - | Non-Executive Independent Director |
| 2. | Mr. P. N. Karanth | - | Non-Executive Independent Director |
| 3. | Mr. Akira Fukuda | - | Non-Executive Director |

The above composition of the Audit Committee consists of independent Directors viz., Mr.S. Janakiraman and Mr.PN.Karanth who form the majority.

The provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 which require certain class of companies to establish a vigil mechanism and the company does not fall under such class prescribed. Therefore the disclosure regarding the details of such mechanism in this report does not mandating. The Company however has adopted a Whistle Blower Policy for its Directors and Employees to report with their concerns.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Board has constituted a Corporate Social Responsibility (CSR) Committee comprising of the following directors as its Members;

1. Mr. Sajiv Ravindran Nath – Managing Director
2. Mr. P.N.Karanth – Independent Director
3. Mr. S. Janakiraman – Independent Director

The company has adopted policies on CSR in line with the provisions of Schedule VII of the Companies Act, 2013 for undertaking the Corporate Social responsibility activities. These policies are made available on the Company's website www.yokogawa.com.

The CSR Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company.

As an initiative the Company has allocated Rs. 137.67 Lakhs, being the 2% of the average of the net profits made during the three immediately preceding financial years, towards the CSR Fund for the financial year 2017-18. During the years 2016-17 the Samarathanam Foundation, the registered trusts are identified by the CSR committee to undertake the CSR activities by investing the allocated funds under the schemes initiated by these trusts which is in accordance with the Corporate Social Responsibility Policies established by the Company also. Such initiatives will always be monitored and supervised by the CSR Committee and the Board of Directors of the Company.

The Annual Report pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) has been furnished in the prescribed format as **Annexure No.5** to this report.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS:

The Board has carried out an annual evaluation on its own performance, committees and the individual directors, including the Independent Directors, in accordance with the criteria laid down thereunder. Further, the Nomination and Remuneration Committee has also carried out the performance evaluation of the individual directors on the Board in accordance with the Nomination and Remuneration Policy of the Company.

Besides the above, the Independent Directors has also convened a separate meeting without the attendance of non-independent directors and members of the management in accordance with Schedule IV of the Companies Act, 2013 read with the Nomination and Remuneration Policy of the Company and thereby reviewed the performance of the non-independent directors on the Board and the Board as a whole.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL:

Mr. Sajiv Ravindran Nath (DIN: 02201563) have been appointed as the Managing Director (Key Managerial Person) of the Company for a period of 5 years with effect from 13.11.2017.

Ms. Naoko Ehara (DIN: 07134915), Director of the Company, retires by rotation at the ensuing 31st Annual General Meeting and being eligible offers herself for re-appointment. Your Directors recommend her re-appointment.

Mr. Naoki Nakamura (holding DIN: 07901032), Director of the Company, appointed as Additional Director during 30th Annual General Meeting and was appointed as Whole-Time Director (Key Managerial Person). His appointment and remuneration paid to during his term is required to be approved by the Central Government.

Mr. Pierre E De Vuyst (Designated), have been appointed as Additional Director of the Company with effective from 7th June, 2018 and is hereby appointed as Additional Director of the Company, liable to retire by rotation.

Other than the above, there was no change in the composition of Board of Directors of the Company during the year under review.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

FIXED DEPOSITS:

The Company has not accepted any kind of fixed deposits covered under Chapter V of the Companies Act, 2013 and therefore there are no claims or non-payments of deposits as on 31st March 2018. The company hence have not recorded any sort of defaults in respect of the fixed deposits during the year under the provisions of the act, which should be reported under this report.



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DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

The company have no significant and material order passed by the regulators or courts or tribunals affecting the company as a going concern status and company's operation in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to established policies, safeguarding the assets, prevention & detection of frauds & errors, accuracy and completeness in the accounting records and preparation of reliable financial information of the Company on time, which in the opinion of the Board is adequate and proper.

The Audit Committee constituted under the provisions of Section 177 of the Companies Act, 2013, is responsible for the periodical evaluation of the internal financial control systems of the Company.

Your Directors and the Management further confirms that the internal financial controls (IFC) are adequate with respect to the operations of the Company. A report of the Statutory Auditors in accordance with Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of the internal financial controls has been annexed and forms part of the Auditors' Report for the financial year ended 31st March 2018.

AUDITORS:

STATUTORY AUDITORS

M/s.Deloitte Haskins & Sells (Firm Registration No.008072S), Chartered Accountants, Bangalore, Auditors of the company appointed for a period of five years at the Annual General Meeting held on 6th October 2014 as required under the provisions of Section 139 of the Companies Act, 2013 subject to ratification by the members annually at every Annual General Meeting held subsequently.

Being eligible for appointment AS Auditors for 2018-19, M/s. Deloitte Haskins & Sellshave submitted a written confirmation pursuant to Section 139 of the Companies Act, 2013 pursuant amended provisions of the Act for the rectification in the ensuing 31st Annual General Meeting is not required.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s.V. Shreedharan and Associates, a firm of Practicing Company Secretaries, Bengaluru, to undertake the Secretarial audit of the Company. The report of the Secretarial Auditor is annexed herewith as **Annexure No.6** to this Report.

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

The Company has employed women employees in various capacities in different departments of the organization. The Company has set up a committee to formulate, implement and monitor policies to prevent harassment to women at workplaces as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee setup to redress complaints received meets regularly to achieve the objective of the law. There were no complaints of any kind from any employee registered and pending Redressal with the committee during financial year 2017-18.

PARTICULARS OF EMPLOYEES:

As an unlisted entity, the company does not fall under the class of the companies which require to comply with the provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) and report the particulars of the employee.

The Directors' Report and the Financial statements for the year ended 31st March, 2018 furnished to the shareholders are excluded with the details of the employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), which is required under the second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended). Interested shareholder may obtain a copy of the statement by writing to the Registered Office of the Company with the attention the Company Secretary.

There are however, no employees in the Company, employed either throughout the financial year or part thereof under review, who are in receipt of remuneration, at a rate which in the aggregate, is in excess of that remuneration drawn by the Managing Director and holds himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

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

ACKNOWLEDGEMENTS:

The Board of Directors expresses their appreciation for the contribution made by the employees, customers and bankers for the support extended by them during the year under review.

By Order of the Board
For YOKOGAWA INDIA LIMITED

Place : Bangalore
Date : 23.08.2018

Sajiv Ravindran Nath
Managing Director
DIN: 02201563

Hideki Matsubayashi
Director
DIN: 07797126

ANNUAL REPORT 2017-2018**ANNEXURE - 1****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2018**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U74210KA1987FLC008304
ii)	Registration Date	14.04.1987
iii)	Name of the Company	YOKOGAWA INDIA LIMITED
iv)	Category / Sub-Category of the Company	SUBSIDIARY OF FOREIGN COMPANY
v)	Address of the Registered office and contact details	96, ELECTRONIC CITY COMPLEX, HOSUR ROAD BANGALORE KARNATAKA - 560100. Telephone No.: 080-4158 6000/Email ID: v.senthilkumar@in.yokogawa.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, 8th Floor, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500081, Telangana Phone No.: +91 40 33215570 Fax No.: +91 40 23420814 E-mail ID: Krishnan.s@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Process Control Instrument System	26517	38
2	Manufacturing of other measurements	26519	33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	YOKOGAWA ELECTRIC CORPORATION 9-32, NAKACHO 2-Chome MUSASHINO-SHI TOKYO 180-8750 JAPAN	Not applicable	Holding	97.21%	Section 2 (46)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Others-Individual	0	0	0	0	0	0	0	0	0
c) Bodies corporate	1185362	7320107	8505469	97.21	1185362	7320107	8505469	97.21	1185362
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
Sub- Total (A)(2)	1185362	7320107	8505469	97.21	1185362	7320107	8505469	97.21	1185362
Total share holding of promoter (A) = (A)(1) + (A)(2)	1185362	7320107	8505469	97.21	1185362	7320107	8505469	97.21	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	1100	1100	0.01	0	1100	1100	0.01	0
b) Banks/FI	100	900	1000	0.01	100	900	1000	0.01	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	250	250	0.00	0	250	250	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	100	2250	2350	0.03	100	2250	2350	0.03	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3720	4423	8143	0.09	4836	4323	9159	0.10	0.01
ii) Overseas	0	400	400	0.00	0	400	400	0.00	0.00
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	120788	103042	223830	2.56	120904	102015	222919	2.55	-0.01
II) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
HUF	3717	0	3717	0.04	3712	0	3712	0.04	0
NRI	5641	150	5791	0.07	5541	150	5691	0.07	0
TRUST	300	0	300	0.00	300	0	300	0.00	0
Sub-total (B)(2):-	134166	108015	242181	2.77	135293	106888	242181	2.77	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	134266	110265	244531	2.79	135393	109138	244531	2.79	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1319628	7430372	8750000	100.00	1320755	7429245	8750000	100.00	0

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B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Yokogawa Electric Corporation	8505469	97.21	0.00	8505469	97.21	0.00	0.00
	TOTAL	8505469	97.21	0.00	8505469	97.21	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	YOKOGAWA ELECTRIC CORPORATION				
	At the beginning of the year	8505469	97.21	8505469	97.21
	Changes during the year	-	-	-	-
	At the end of the year	8505469	97.21	8505469	97.21

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BHARAT K DALAL At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year (or on the date of separation, if separated during the year)	3995 - 3995	0.05 - 0.05	3995 - 3995	0.05 - 0.05
2	TRIPTA BEDI & AMITA BEDI At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	2200 - 2200	0.03 - 0.03	2200 - 2200	0.03 - 0.03
3	ANIL KUMAR NIHAR GHOSH At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year (or on the date of separation, if separated during the year)	2000 - 2000	0.02 - 0.02	2000 - 2000	0.02 - 0.02
4	INTAS FINANCE PVT LTD At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	1800 - 1800	0.02 - 0.02	1800 - 1800	0.02 - 0.02
5	M MEENA At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the end of the year (or on the date of separation, if separated during the year)	1700 - 1700	0.02 - 0.02	1700 - 1700	0.02 - 0.02
6	MUKUND BHAMMAR & GEETA BHAMMAR At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year (or on the date of separation, if separated during the year)	1300 - 1300	0.01 - 0.01	1300 - 1300	0.01 - 0.01

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Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	HITESH SATISHCHANDRA DOSHI & BHANU SATISHCHANDRA DOSHI At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	1100	0.01	1100	0.01
8	RINA R MEHTA & RAJESH F MEHTA At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	1100	0.01	1100	0.01
9	SHAMIK DAVE At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	1000	0.01	1000	0.01
10	GOPAL AGARWAL At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year(or on the date of separation, if separated during the year)	1000	0.01	1000	0.01

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): At the end of the year	None of the Directors or Key Managerial Personnel hold any shares in the company			

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

S. No.	Particulars Remuneration	Name of MD/ WTD/ Manager Sajiv Ravindran Nath/ Tsutomu Murata/ Naoki Nakamura/ Managing Director/WTD	Total Amount
1	Gross salary	In Rs. Lakhs	In Rs. Lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,886,670.00	21,628,389.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	68,95,527.00	25,09,822.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission - as % of profit - others, specify...	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	41,782,197.00	24,138,211.00
	Ceiling as per the Act	Not exceeding 5% of the Net Profits	

B. REMUNERATION TO OTHER DIRECTORS

(In Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		SHAIENDRA MOHAN SHETE	HEWITT JOHN CHRISTOPHER	NAOKO EHARA	S JANAKI RAMAN	P N KARANTH	
1	Independent Directors						
	Fee for attending Board	-	-	-	4,09,500	4,09,500	819,000
	Committee Meetings Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	4,09,500	4,09,500	819,000
2	Other Non-Executive Directors						
	Fee for attending Moard	-	-	-	-	-	-
	Committee Meetings Commission	-	-	-	-	-	-
	Others, please specify -	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	4,09,500	4,09,500	819,000
	Overall Ceiling as per the Act	-	-	-			Rs. 1,00,000/- per Board / Committee meeting

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

(In Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel CFO and Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,457,053.00	6,678,395.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	247,486.00	56,675.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	- as % of profit	0.00	0.00
	- others, specify...	0.00	0.00
5	Others, please specify	0.00	0.00
	Total	10,704,539.00	6,735,070.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment	Authority[RD / NCLT/ COURT] Compounding / fees imposed	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NOT APPLICABLE

By Order of the Board
For YOKOGAWA INDIA LIMITED

Sajiv Ravindran Nath
Managing Director
DIN: 02201563

Hideki Matsubayashi
Director
DIN: 07797126

Place : Bangalore
Date : 23.08.2018

ANNEXURE - 1**NOMINATION AND REMYNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means

- i) The Chief Executive Officer or the Managing Director or the Manager;
- ii) The Company Secretary;
- iii) The Whole-time Director
- iv) The Chief Financial Officer and
- v) Such other officer as may be prescribed

OBJECTIVE:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and Provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key managerial Personnel and Senior Management.

RULES OF THE COMMITTEE:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To advise a policy on Board diversity, composition, size.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by the statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, and experience, of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of the seventy years with the approval of shareholders by passing a special resolution.

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TERM/TENURE:

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

a) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director is should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013 rules and regulations and the policy of the Company.

RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

1) Remuneration to Managing Director/Whole-time Director

- a) The Remuneration/Commission etc. to be paid to Managing Director /Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Director.

2) Remuneration to Non-Executive/Independent Directors:

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i) The Services are rendered by such Director in his capacity as the professional and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Compensation Committee of the Company, constituted for the purpose of administration the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
 - c) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time.
 - d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

Annexure-3

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	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
	a	b	c	d	e	f	g
1	Rota Yokogawa GmbH ' & Co. K G Germany	Affiliate	Purchase of material	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 120 Million.	07.03.2018	Nil
2	Yokogawa Electric Asia Pte. Ltd	Affiliate	Purchase of material	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 15 Million.	07.03.2018	Nil
3	Yokogawa Australia Pty. Ltd.	Affiliate	Purchase of Material and Service Aailed	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 5 Million.	07.03.2018	Nil
4	Yokogawa Corporation of America	Affiliate	Engineering support Service and Purchase of material/ service	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 100 Million.	07.03.2018	Nil
5	Yokogawa Deutschland GmbH, ' Germany	Affiliate	Territory Charges	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 15 Million.	07.03.2018	Nil
6	Yokogawa Engineering Asia Pte. Ltd	Affiliate	Engineering Support, sale of material & services & professional fee	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 150 Million.	07.03.2018	Nil

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	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
	a	b	c	d	e	f	g
7	Yokogawa Electric Corporation	Holding Company	Services and Engineering support, Training, management, Sale of material & services, marketing, Purchase of material / service / fixed assets, mobility premium salary etc.	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 4000 Million.	07.03.2018	Nil
8	Yokogawa Electric International Pte Ltd. Singapore	Affiliate	CEC support, engineering support services, Purchase of material / service	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 200 Million.	07.03.2018	Nil
9	Yokogawa Europe Solution B V Netherlands	Affiliate	Engineering support, Training and Professional Fee and Purchase of Material / service	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 20 Million.	07.03.2018	Nil
10	Yokogawa Europe B V Romania	Affiliate	Purchase of Material and Engineering Support Fee	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 20 Million.	07.03.2018	Nil
11	PT. Yokogawa Indonesia	Affiliate	Salary pay	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.15 Million.	07.03.2018	Nil
12	Yokogawa Solution Service Corporation	Affiliate	Engineering Services, Purchase of material and Training & professional fee	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.30 Million.	07.03.2018	Nil

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Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	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
	a	b	c	d	e	f	g
13	Yokogawa Electric Korea Co., Ltd	Affiliate	Territory Charges	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.10 Million.	07.03.2018	Nil
14	Yokogawa Meters & Instruments, Japan	Affiliate	Services, Purchase of Material, Purchase of fixed assets	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.200 Million.	07.03.2018	Nil
15	Yokogawa Marex Limited	Affiliate	Engineering Support Service	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 10 Million.	07.03.2018	Nil
16	Yokogawa Process Analysis, Netherlands	Affiliate	Purchase of Material	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 50 Million.	07.03.2018	Nil
17	Yokogawa Europe Solutions, Russia	Affiliate	Purchase of Material	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.25 Million.	07.03.2018	Nil
18	Yokogawa Middle East E.C., Bahrain	Affiliate	Sale of material & services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.2000 Million.	07.03.2018	Nil
19	Yokogawa Manufacturing Corporation	Affiliate	Salary pay	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.5 Million.	07.03.2018	Nil
20	Yokogawa China Co. Ltd.,	Affiliate	Training & Professional fee	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.5 Million.	07.03.2018	Nil
21	Yokogawa Engineering Middle East., UAE	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.325 Million.	07.03.2018	Nil

Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	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
	a	b	c	d	e	f	g
22	Yokogawa Solutions Limited, Japan	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.392 Million.	07.03.2018	Nil
23	Yokogawa Electric (M) SDN BHD, Malaysia	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 14 Million.	07.03.2018	Nil
24	Yokogawa (Thailand) Limited, Thailand	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 3 Million.	07.03.2018	Nil
25	Yokogawa IA Tech India Pvt Ltd, India	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.1 Million.	07.03.2018	Nil
26	Yokogawa Saudi Arabia Co., KSA	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.49 Million.	07.03.2018	Nil
27	Yokogawa Canada Inc., Canada	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.7 Million.	07.03.2018	Nil
28	Yokogawa South Africa (Pty) Ltd, South Africa	Affiliate	Engineering support, Sale of material & services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.19 Million.	07.03.2018	Nil

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Sl. No.	Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	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
	a	b	c	d	e	f	g
29	Yokogawa Italia S.R.L,Italy	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.3 Million.	07.03.2018	Nil
30	Industrial Knowledge, USA	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs.3 Million.	07.03.2018	Nil
31	Yokogawa Industrial Safety Systems Sdn. Bhd. Malaysia	Affiliate	Engineering Services	One Year (01.04.2017 to 31.03.2018)	Based on the prevailing Market Price. Value of the Contract for not exceeding Rs. 1 Million.	07.03.2018	Nil

By Order of the Board
For **YOKOGAWA INDIA LIMITED**

Sajiv Ravindran Nath
Managing Director
DIN: 02201563

Hideki Matsubayashi
Director
DIN: 07797126

Place : Bangalore
Date : 23.08.2018

Annexure 4

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

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

A. A. Conservation of Energy

(i) Steps taken for conservation of energy:

Though the company is always not energy intensive, it has taken steps to conserve energy. During the breaks, machines, lights etc. are switched off & occupancy sensors are installed in the company.

(ii) Steps taken by the Company for utilising alternate sources of energy

The Company presently uses the diesel generators as an alternative source of energy.

(iii) Capital investment on energy conservation equipment - NIL

B. Technology Absorption:

(i) Efforts made towards technology absorption

Yokogawa India Limited is an affiliate company of Yokogawa Electric Corporation, Japan and on merits it continues to have access to some of the latest products and technology of the parent company.

We continue to roll out new products and technology in the Indian Markets as and when they are rolled out in our part of the world.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Use of new product developed by the Yokogawa Electric Corporation, Japan productivity and quality improvements, enhanced solely and environmental protection measures and conservation of energy.

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

Details of technology imported	Year of Import	whether the Technology has been fully absorbed	If not absorbed, areas where absorption has not taken place, and the reasons thereof
NA	NA	NA	NA
NA	NA	NA	NA

(iv) Expenditure incurred on Research and Development:

	2017-2018	2016-2017	(Rs. In Million)
Expenditure on R&D			
Capital	NA	NA	
Revenue	NA	NA	
Total	NA	NA	
R&D Expenditure as a percentage of Turnover	NA	NA	

C. Foreign Exchange Earnings and outgo

- a) Foreign Exchange Earned : Rs. 25,362.87 lacs
b) Foreign Exchange Used : Rs. 30,671.86 lacs

By Order of the Board
For YOKOGAWA INDIA LIMITED

Place : Bangalore
Date : 23.08.2018

Sajiv Ravindran Nath
Managing Director
DIN: 02201563

Hideki Matsubayashi
Director
DIN: 07797126

Annexure-5

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has formulated, adopted and implemented a Corporate Social Responsibility Policy in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR Policy of the Company primarily seeks to develop the student community, particularly on educational, social, economic, cultural and technological aspects by undertaking various developmental programmes / projects in and around the Bangalore City as a part of its CSR initiative.

During the financial year under review, the Company has undertaken the following student development programmes / projects through Samarthanam Foundation, a registered trust, having its Registered Office at CA-39, 15th Cross, 16th Main, Sector-4, HSR Layout, Bangalore-560102;

a. Contribution towards construction of hostel for the disabled students.

The CSR programmes / projects undertaken by the Company are in accordance with the CSR Policy of the Company and are within the broad framework of Schedule VII of the Companies Act, 2013.

The policy as well as projects / programmes falling under the CSR policy are on the Company's website www.yokogawa.com.

2. Composition of CSR Committee

The Corporate Social Responsibility Committee constituted in accordance with Section 135 of the Companies Act, 2013 comprises of the following Directors as its members:

Mr. Tsutomu Murata(Managing Director)	-	Chairman
Mr. P.N.Karant (Independent Director)	-	Member
Mr. Janakiraman.S	-	Member

3. Average Net Profit of the Company for last three Financial Years:

Rs. 6,883.87- Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

Rs. 137.67 lakhs (being 2% of the amount as in Item No.3 above)

5. Details of CSR to be spent during the Financial Year 2016-17:

a. CSR activities during FY 2016-17:

Sl. No.	CSR Programme/Project	Mode of CSR Expenditure	Amount of Contribution (Rs. in lakhs)
1.	Contribution towards construction of science lab for the disabled persons.	Through Samarthanam Foundation, a Registered Trust	14,948,000

6. Reasons for not spending an amount equal 2% of the Average Net Profits of the last three financial years:

a. Amount remaining unspent as on the date of this Report:

Financial Year	CSR Fund Allocated	Amount Contributed	Amount remaining
2017-18	Rs.137.67 lakhs	Nil	Rs.137.67 lakhs

The shareholders are informed that the CSR Committee of the Company identifies the suitable CSR programmes / projects and the amount, constituting 2% of the average net profits so allocated, are being expended presently through Samarthanam Foundation, registered trusts. The Company is regular in contribution towards various CSR activities and the CSR activities carried out through the said trusts are in accordance with the Corporate Social Responsibility Policy of the Company and the same is under the monitoring and supervision of the CSR Committee and the Board of Directors of the Company.

7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programmes have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

By Order of the Board
For YOKOGAWA INDIA LIMITED

Sajiv Ravindran Nath
Managing Director
DIN: 02201563

Hideki Matsubayashi
Director
DIN: 07797126

Place : Bangalore
Date : 23.08.2018

Annuxure - 6
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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,

YOKOGAWA INDIA LIMITED
CIN: U74210KA1987FLC008304
96, Electronic City Complex
Hosur Road,
Bengaluru 560 100
Karnataka, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2018** (herein referred to as "**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 during the audit period 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 (to the extent applicable);
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder (to the extent applicable);
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI);
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

The company being an unlisted public company, the following Regulations of the Securities and Exchange Board of India (SEBI) are **not applicable**:

- 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, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has identified the following laws as specifically applicable to the Company:

- Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder.
- Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.
- The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules.
- Hazardous Wastes (Management and Handling) Rules, 1989

- The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules.
- The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
- The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
- The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
- The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.
- The Maternity Benefit Act, 1961 & its Rules.
- The Equal Remuneration Act, 1976.
- The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
- The Apprentices Act, 1961 & its Rules.
- The Workmen's Compensation Act, 1923
- The Industrial Dispute Act, 1947
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance by the Company with respect to Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

We have not examined 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 for the following:**

1. **Mr. Naoki Nakamura was appointed as Additional Director w.e.f August 30, 2017 at the Board Meeting held on August 30, 2017 and subsequently appointed as Whole Time Director w.e.f November 13, 2017 at the Board Meeting held on November 13, 2017. However, since he is a foreign national and was non-resident of India, the Central Government approval under the provision of Schedule V was not obtained for his appointment as Whole Time Director.**
2. **Mr. Naoki Nakamura's appointment as Whole Time Director should have been approved by the members of the Company at the Extraordinary General Meeting held on 11.01.2018 pursuant to the provisions of Section 196 of the Companies Act, 2013**
3. **The remuneration paid to Mr. Naoki Nakamura from the date of appointment as Additional Director up to the date of appointment as Whole Time Director was not approved by the Board and by the Share Holders at the Extraordinary General Meeting held on January 11, 2018 pursuant to the provisions of Section 196 of the Companies Act, 2013.**
4. **Form DIR-12 for the change in designation from Director to Whole Time Director for Mr. Naoki Nakamura and Form MR-1 and MR-2 for his appointment as Whole Time Director were not filed by the Company.**

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act **except for few instances as detailed above.**

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

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 compliance report received from the Managing Director for the first quarter of the year under review and taken on record by the Board, 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 and regulations.

We further report that during the audit period, there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.,

Date : August 21, 2018
Place : Bangalore

For V. Sreedharan & Associates

(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF YOKOGAWA INDIA LIMITED**

1. Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of **YOKOGAWA INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Company Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Describe the delays	Covering amount involved ('in lakhs)	Number of days delay
The dividend relating to FY 2009-10 declared on August 23, 2010 was due to transfer to IEPF on Sept 29, 2017. It was actually transferred on Nov 24, 2017.	4.19	57

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Bengaluru
Date: 23.08.2018

S.Ganesh
Partner
Membership No. 204108

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **YOKOGAWA INDIA LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 its business, including adherence to 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 Companies Act, 2013.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Ind AS financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: 23.08.2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5.2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (i) In respect of its fixed assets:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under the clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and did not have unclaimed deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities other than remittance of tax deducted at source and professional fund dues where there were delays in a few cases.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In Lakhs)
Income Tax Act, 1961	Income Tax	Supreme court	2004-05	6.03#
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2007-08	78.52#
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09 / 2009-10	385.63#
Income Tax Act, 1961	Income Tax	Dispute Resolution Panel	2010-11 / 2011-12	609.45#
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2012-13	713.73#
Income Tax Act, 1961	Income Tax	Dispute Resolution Panel	2013-14	1,694.43
Finance Act, 1994	Service Tax	Custom, Excise and Service Tax Appellate Tribunal	May 16, 2008 to October 31, 2012	1,472.54

#Net of Rs.1,518.35 paid under protest.

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- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all the transactions with related parties and the details of related party transactions has been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: 23.08.2018

BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	5,497.64	5,443.37	5,832.14
(b) Capital work in progress		22.32	439.29	6.94
(c) Other intangible assets	4	64.90	88.57	146.71
(d) Financial assets				
(i) Loans	5	34.85	48.24	54.18
(ii) Other financial assets	6	5,283.96	5,982.24	4,503.82
(e) Deferred tax assets (net)	36	3,741.85	3,576.63	3,280.23
(f) Non-current tax asset (net)	7	1,617.88	1,103.84	910.84
(g) Other non-current assets	10	2,566.93	2,543.82	448.19
		18,830.33	19,226.00	15,183.05
Current assets				
(a) Inventories	8	2,404.44	3,271.28	4,249.62
(b) Financial assets				
(i) Trade receivables	9	24,626.37	19,270.28	20,754.44
(ii) Cash and cash equivalents	11	2,674.78	1,649.88	1,004.67
(iii) Bank balances other than (ii) above	11	2,580.78	3,559.82	49.38
(iv) Loans	5	64.05	64.95	48.15
(v) Other financial assets	6	12,395.14	9,009.86	10,620.91
(c) Other current assets	10	1,387.25	1,716.11	2,045.06
		46,132.81	38,542.18	38,772.23
TOTAL ASSETS		64,963.14	57,768.19	53,955.28
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	875.00	875.00	875.00
(b) Other equity	13	28,782.59	24,043.62	21,964.05
		29,657.59	24,918.62	22,839.05
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	19,548.78	15,909.23	16,091.23
(ii) Other financial liabilities	15	318.06	290.06	553.10
(b) Provisions	17	4,153.29	4,494.90	4,938.38
(c) Other current liabilities	16	11,285.42	12,155.38	9,533.52
		35,305.55	32,849.57	31,116.23
TOTAL EQUITY AND LIABILITIES		64,963.14	57,768.19	53,955.28

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsS. Ganesh
Partner

Membership No. 204108

Place : Bangalore

Date : 23.08.2018

For and on behalf of the Board of Directors

Hideki Matsubayashi
ChairmanSajiv Ravindran Nath
Managing DirectorAuro Sarathi Shah
Chief Financial OfficerB S Srinivasa
Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Revenue from operations	18	92,999.77	86,664.69
Other income	19	1,568.20	852.12
Total income		94,567.97	87,516.81
Expenses			
Cost of materials consumed	20a	32,316.83	32,198.16
Purchases of traded goods	20b	15,757.29	13,453.76
Changes in inventories of work-in-progress and stock-in-trade	20c	196.41	436.76
Excise duty on sale of goods	21	486.16	2,660.65
Employee benefits expense	22	17,823.93	16,682.68
Finance cost	23	40.19	20.34
Depreciation and amortisation expense	3	981.02	1,121.87
Other expenses	24	15,001.94	12,999.64
Total expenses		82,603.77	79,573.86
Profit before tax		11,964.20	7,942.95
Tax expense:			
Tax expense - current year		4,333.33	3,122.67
Tax expense - current year (overseas)		3.00	3.00
Deferred tax	36	(201.68)	(339.75)
Total tax expense		4,134.65	2,785.92
Profit for the year		7,829.55	5,157.03
Other comprehensive income			
i) Items that will not be reclassified to profit or loss:			
-Remeasurement on the defined benefit liabilities		105.36	125.24
(ii) Income tax relating to items that will not be reclassified to profit or loss.		(36.46)	(43.34)
		68.90	81.90
Total other comprehensive income		68.90	81.90
Total comprehensive income for the period		7,898.45	5,238.93
Earnings per equity share	33		
Basic and diluted		89.48	58.94

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsS. Ganesh
Partner

Membership No. 204108

Place : Bangalore

Date : 23.08.2018

For and on behalf of the Board of Directors

Hideki Matsubayashi
ChairmanSajiv Ravindran Nath
Managing DirectorAuro Sarathi Shah
Chief Financial OfficerB S Srinivasa
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Profit before tax	11,964.20	7,942.95
Adjustments for:		
Depreciation and amortisation	981.02	1,121.87
Interest income	(643.43)	(808.54)
Reversal of impairment loss on trade receivables	(882.22)	0.00
Impairment loss recognised on trade receivable	0.00	228.00
Loss/(gain) on sale of property, flat and equipment	6.10	(2.81)
Provision for product support	1,582.97	128.79
Net unrealised exchange (gain)/loss	76.29	94.71
Operating profit before working capital changes	13,084.93	8,704.98
Movements in working capital		
Decrease/(Increase) in inventories	866.84	978.34
Decrease/(Increase) in trade receivables	(4,693.57)	1,439.75
Decrease/(Increase) in short-term loans	(0.90)	(16.80)
Decrease/(Increase) in long-term loans	13.39	5.94
Decrease/(Increase) in non-current other financial assets	698.28	(1,478.41)
Decrease/(Increase) in other non-current assets	(23.11)	(2,095.63)
Decrease/(Increase) in current other financial assets	(3,373.77)	1,611.04
Decrease/(Increase) in other current assets	328.86	328.95
Increase/(Decrease) in trade payables	3,908.74	(240.81)
Increase/(Decrease) in other current liabilities	(869.96)	2,621.86
Increase/(Decrease) in other financial liabilities	(0.32)	28.61
Increase/(Decrease) in short-term provisions	(1,689.54)	(365.35)
Cash generated from operating activities	8,249.86	11,522.48
Direct taxes paid (net of refunds)	(5,081.98)	(3,522.59)
Net cash generated from operating activities (A)	3,167.88	7,999.89
B. Cash flow from investing activities		
Purchase of property, flat and equipment, including CWIP and capital advances	(597.28)	(1,424.14)
Proceeds from sale of property, flat and equipment	7.80	20.35
Other bank balances not considered as cash and cash equivalents	979.04	(3,510.44)
Interest received	631.92	808.54
Net cash used in investment activities (B)	1,021.48	(4,105.69)
C. Cash flow from financing activities		
Dividend paid	(2,625.00)	(2,639.33)
Tax on dividend	(534.37)	(534.37)
Net cash generated from financing activities (C)	(3,159.37)	(3,173.70)
Net increase in cash and cash equivalents (A+B+C)	1,029.99	720.50
Cash and cash equivalents at the beginning of the year	1,649.88	1,004.67
Effect of exchange differences on restatement of foreign c urrency cash and cash equivalents	(5.09)	(75.30)
Cash and cash equivalents at the end of the year (Also refer note 11)	2,674.78	1,649.88

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March 2017
Components of cash and cash equivalents		
Cash in hand	1.17	0.70
Balances with banks	2,673.61	1,649.18
Total cash and cash equivalents	2,674.78	1,649.88

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
Partner

Membership No. 204108

Place : Bangalore

Date : 23.08.2018

For and on behalf of the Board of Directors

Hideki Matsubayashi
Chairman

Sajiv Ravindran Nath
Managing Director

Auro Sarathi Shah
Chief Financial Officer

B S Srinivasa
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2018

Particulars	Number	Rs. in lakhs
		Amount
Equity shares of Rs.10 each, fully paid-up		
Balance as at 1 April 2016	8,750,000	875.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	8,750,000	875.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	8,750,000	875.00

B. Other equity

Rs. in lakhs

Particulars	Reserves and surplus				Items of other comprehensive	Total
	Securities premium	General reserve	Capital reserve	Retained earning	income Remeas-urement gains in defined benefit plans	
As at 1 April 2016	1,706.25	11,438.01	0.25	8,819.54	-	21,964.05
Profit for the year	-	-	-	5,157.03	-	5,157.03
Other comprehensive income (net of tax)	-	-	-	-	81.90	81.90
Dividend proposed in the previous year, paid	-	-	-	(2,625.00)	-	(2,625.00)
Tax impact on dividend Excess/(short) relating to previous year	-	-	14.34	(548.70)	-	(548.70)
	-	-	-	-	14.34	14.34
As at 31 March 2017	1,706.25	11,438.01	0.25	10,817.21	81.90	24,043.62
Transfer to general reserve	-	1,000.00	-	(1,000.00)	-	0.00
Profit for the year	-	-	-	7,829.55	-	7,829.55
Other comprehensive income (net of tax)	-	-	-	68.90	68.90	68.90
Dividend proposed in the previous year, paid	-	-	(2,625.00)	-	(2,625.00)	(2,625.00)
Tax impact on dividend	-	-	-	(534.48)	-	(534.48)
As at 31 March 2018	1,706.25	12,438.01	0.25	14,487.28	150.80	28,782.59

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsS. Ganesh
Partner

Membership No. 204108

Place : Bangalore

Date : 23.08.2018

For and on behalf of the Board of Directors

Hideki Matsubayashi
ChairmanSajiv Ravindran Nath
Managing DirectorAuro Sarathi Shah
Chief Financial OfficerB S Srinivasa
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

1. General Information:

Yokogawa India Limited (The Company) is a public company incorporated under the Companies Act 1956. The Company is Subsidiary of Japanese Company Yokogawa Electric Corporation which is listed at Tokyo Stock Exchange. The Company is engaged in the manufacturing of industrial automation systems. It has also got trading and customer services activities in India. It also caters certain technical services overseas.

2. Summary of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Upto the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the section 133 of the Companies Act, 2013 and the relevant provisions of Companies Act, 2013 ("the Act"), as applicable. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 37 on first-time adoption exemptions availed by the Company.

b) Basis of accounting and presentation

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

Historical cost is generally based on the fair value of the consideration given in exchange for services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

c) Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provision for income tax and valuation of deferred tax assets

The Company's major tax jurisdictions are in India. Significant judgement is involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

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.

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.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a

material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

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

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

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

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

	Usefull lives (in Years)
Vehicles	6
Certain Specific Plant and Machinery *	2 to 10 years
Leasehold improvements are amortised over the duration of the lease	
Assets costing less than Rs.10,000 each are fully depreciated in the year of capitalisation	

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

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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.

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

f) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

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.

Intangible assets are amortised over their estimated useful life as follows:

Asset Category	Useful lives (in years)
Computer Software - 3 years	3

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.

g) Impairment of property, plant and equipment and intangible assets

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

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

h) Inventories

Inventories are valued at the lower of cost on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The specific recognition criteria described below must also be met before revenue is recognized.

Revenue from Construction Contracts:

In respect of Construction contracts, revenue is recognised using the percentage of completion method. The percentage of work completed is determined principally by comparing the accumulated costs incurred for work performed upto the reporting date with management's current estimate of total cost to be incurred on completion of the contract.

Recognition of profit, is adjusted to ensure that it does not exceed the estimated overall contract margin. Anticipated future losses on contracts are provided fully.

Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

Unearned revenues' included in other liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Sale of goods:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from services

Revenue from services are recognised when such services are rendered and are exclusive of service tax.

Interest income:

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

j) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

The Company's contribution to provident fund, and employee state insurance scheme contributions are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Overseas social security

The Company contributes to social security charges of countries to which the Company deutes its employees on employment or has permanent employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

*Defined benefit plan**Gratuity*

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

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.

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

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit or Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Foreign currency transactions

Functional and presentation currency

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

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

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

n) Income taxes

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

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

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

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

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

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

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

o) 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 is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provision for Product Support

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. Generally, warranty ranges from 12 to 36 months.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates.

p) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of

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financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

A) Financial assets

Cash and Cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

Impairment and derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset. The Company is identifying the specific amounts of financial assets which has become bad during the year and providing the credit loss.

B) Financial liabilities and Equity:

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity Instrument:

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the profit or 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.

q) Impairment of financial assets

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

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

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 manufacturing of industrial automation system which broadly forms part of one product group and hence constitute a single business segment.

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.

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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) Cash flow statement

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

v) New standard and interpretation not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is still in the process of evaluating the impact on application of Ind AS 115.

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

Note 3 - Property, plant and equipment (PPE)

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount								
Deemed Cost as at 1 April 2016	90.52	2,403.03	1,768.40	247.56	236.54	756.35	329.73	5,832.14
Additions	-	-	303.17	7.63	41.22	291.70	2.90	646.62
Disposals	-	-	(5.87)	(4.07)	(72.13)	(0.73)	-	(82.80)
Balance as at 31 March 2017	90.52	2,403.03	2,065.70	251.12	205.63	1,047.32	332.63	6,395.96
Additions	51.75	-	470.35	17.29	83.14	352.43	1.46	976.40
Disposals	-	-	(7.65)	(10.85)	(33.68)	(3.67)	(25.57)	(81.42)
Balance as at 31 March 2018	142.27	2,403.03	2,528.40	257.55	255.09	1,396.08	308.52	7,290.94
Accumulated depreciation								
Balance as at 1 April 2016								-
Depreciation expense	-	112.75	256.82	71.08	51.79	353.80	171.60	1,017.84
Eliminated on disposal of assets	-	-	(3.80)	(3.97)	(56.90)	(0.58)	-	(65.25)
Balance as at 31 March 2017	-	112.75	253.02	67.11	(5.11)	353.22	171.60	952.59
Depreciation expense for the year	-	112.73	263.31	46.68	49.34	327.51	108.67	908.23
Disposals	-	-	(2.75)	(7.28)	(29.68)	(3.67)	(24.15)	(67.53)
Balance as at 31 March 2018	-	225.48	513.58	106.50	14.55	677.06	256.12	1,793.30
Net carrying amount								
As at 1 April 2016	90.52	2,403.03	1,768.40	247.56	236.54	756.35	329.73	5,832.14
As at 31 March 2017	90.52	2,290.28	1,812.68	184.01	210.74	694.10	161.03	5,443.37
As at 31 March 2018	142.27	2,177.55	2,014.81	151.05	240.53	719.02	52.40	5,497.64

Note:

Unless otherwise stated all the assets are owned by the Company and none of the assets have been given on lease by the Company.

Freehold land and buildings with a carrying value of Rs.2,319.82 lacs (As at 31 March,2017, Rs. 2,380.80 Lacs) have been pledged as collateral security against bank facility by way of first charge pari passu.

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Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

Note 4 Other intangible assets

	Computer Software	Total
Gross carrying amount		
Deemed Cost as at 1 April 2016	146.71	146.71
Additions	45.89	45.89
Balance as at 31 March 2017	192.60	192.60
Additions	49.11	49.11
Balance as at 31 March 2018	241.71	241.71
Accumulated amortisation		
Balance as at 1 April 2016	-	-
Amortisation charge for the year	104.03	104.03
Balance as at 31 March 2017	104.03	104.03
Amortisation charge for the year	72.78	72.78
Balance as at 31 March 2018	176.81	176.81
Net carrying amount		
As at 1 April 2016	146.71	146.71
As at 31 March 2017	88.57	88.57
As at 31 March 2018	64.90	64.90

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Note 5 Loans			
Non-current			
Unsecured, considered good			
- Loans to employees	34.85	48.24	54.18
	34.85	48.24	54.18
Current			
Unsecured, considered good			
(a) Loans to employees	28.89	35.40	48.15
(b) Others			
- Group leave encashment funds with LIC	35.16	29.55	-
	64.05	64.95	48.15

Note 6 Other financial assets

Non-current			
(Unsecured, considered good)			
(a) Security deposits	293.13	275.55	196.58
(b) Retention money deposits	4,990.83	5,706.69	4,307.24
	5,283.96	5,982.24	4,503.82
Current			
(Unsecured, considered good)			
(a) Earnest money deposits with customers	169.91	164.30	82.91
(b) Unbilled receivable	9,385.37	7,539.77	9,273.84
(c) Interest accrued but not due	11.51	-	-
(d) Retention money deposits	2,828.35	1,305.79	1,264.16
	12,395.14	9,009.86	10,620.91

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Note 7 Non current tax asset (net)			
Advance income tax (net of provisions) [refer note (i) below]	1,617.88	1,103.84	910.84
	1,617.88	1,103.84	910.84
Note (i)			
Advance tax and TDS	12,450.00	10,454.38	10,261.38
Less: Provision for tax	10,832.12	9,350.54	9,350.54
	1,617.88	1,103.84	910.84
Note 8 Inventories			
(At lower of cost and net realisable value)			
(a) Raw materials	592.97	1,306.31	1,504.09
Goods-in-transit	101.08	58.16	401.96
	694.05	1,364.47	1,906.05
(b) Work-in-progress (Refer Note below)	-	50.82	50.05
(c) Stock-in-trade (acquired for trading)	1,223.90	1,306.72	1,900.40
Goods-in-transit	486.49	549.27	393.12
	1,710.39	1,855.99	2,293.52
	2,404.44	3,271.28	4,249.62
Note: Details of inventory of work-in-progress			
Production spares	-	50.82	50.05
	-	50.82	50.05
Note: The cost of inventory scrapped against provision created in books during the year amounts to Rs.1,071 lacs (during previous year NIL).			
Note 9 Trade receivables (unsecured)			
Considered good	24,626.37	19,270.28	20,754.44
Considered doubtful	652.01	1,920.25	1,792.12
	25,278.38	21,190.53	22,546.56
Less: Allowances for doubtful debts	652.01	1,920.25	1,792.12
	24,626.37	19,270.28	20,754.44
Note 10 Other assets			
Non-current			
Unsecured, considered good			
(a) Balances with government authorities	2,419.43	2,400.23	379.97
(b) Prepaid expenses	73.13	89.07	53.16
(c) Advances to related parties (Refer note 31b)			
- Yokogawa Electric Corporation	74.37	54.52	15.06
Total	2,566.93	2,543.82	448.19
Current			
Unsecured, considered good			
(a) Prepaid expenses	490.34	336.75	328.12
(b) Balances with government authorities	710.32	1,164.38	1,522.46
(c) Advances to employees	91.02	86.63	60.65
(d) Advance to creditors	95.57	128.35	133.83
Total	1,387.25	1,716.11	2,045.06

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Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Note 11 Cash and cash equivalents			
(a) Cash on hand	1.17	0.70	2.34
(b) Cheques/drafts on hand	-	-	98.15
(c) Balances with banks			
(i) In current accounts	921.67	1,198.07	627.88
(ii) In EEFC accounts	1,751.94	451.11	276.30
	2,674.78	1,649.88	1,004.67
Other bank balances			
In earmarked accounts			
- unpaid dividend account	70.78	59.82	49.38
Fixed deposits with maturity greater than 3 months	2,510.00	3,500.00	-
	2,580.78	3,559.82	49.38

Note 12 Equity Share capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity shares of Rs.10 each	9,500,000	950.00	9,500,000	950.00	9,500,000	950.00
Unclassified shares of Rs.10 each	500,000	50.00	500,000	50.00	500,000	50.00
	10,000,000	1,000.00	10,000,000	1,000.00	10,000,000	1,000.00
Issued Share Capital						
Equity shares of Rs.10 each	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00
			-	-		
Subscribed and fully paid up						
Equity shares of Rs.10 each	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00
	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00

Refer Notes (i) to (iv) below

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of Rs.5 each, par value						
Balances as at the beginning of the year	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00
Add: Additional shares issued during the year	-	-	-	-	-	-
Balance at the end of the year	8,750,000	875.00	8,750,000	875.00	8,750,000	875.00

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.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.

There have been no issues with respect to unclassified shares.

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

(c) Details of shares held by the holding company and subsidiary of holding company

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Holding Company:						
Yokogawa Electric Corporation	8,505,469	850.55	8,505,469	850.55	8,505,469	850.55

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of Rs. 5 each, par value						
Yokogawa Electric Corporation	8,505,469	97.21%	8,505,469	97.21%	8,505,469	97.21%

(e) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

(f) During the year, in terms of the provisions of the Companies Act, 2013, ("the Act"), the Company has filed an application for reduction of share capital of the Company with the National Company Law Tribunal ("Tribunal") to reduce and cancel 244,531 number of equity shares of Rs. 10/- each fully paid, vide, the board of directors approval on 13 November, 2017 and further, special resolution approved by the majority of shareholders at the extra-ordinary general meeting held on 11 January 2018, which is under the process with the tribunal for the necessary order.

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
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Note 13 Other equity

Securities premium	1,706.25	1,706.25	1,706.25
Retained earnings	14,638.06	10,899.10	8,819.54
Capital reserve	0.25	0.25	0.25
General reserve	12,438.01	11,438.01	11,438.01
	28,782.57	24,043.61	21,964.05

Pursuant to Sections 66 of the Companies Act, 2013 read with Section 52 and other applicable provisions of the Companies Act 2013, if any, Rules prescribed thereafter, provisions of the Memorandum ("MOA") and Article 41 and 42 of the Articles of Association ("AOA") of the Company, pursuant to the approval by the Board of Directors during 147th Meeting held on 13th November 2017 and approval by the Majority of Shareholders at the Extra-Ordinary General Meeting called on 11th January 2018, the Company has filed a petition with the Hon'ble National Company Law Tribunal, Bengaluru Bench ("Tribunal") for selective reduction of Share Capital of the company to cancel 244,531 number of Equity Shares of paid up each of Rs.10/- per share. The application is under the process with the tribunal for the necessary order.

Note 14 Trade payables

Trade payables:

Acceptances	655.35	415.47	168.37
Other than acceptances:			
(i) Dues to micro enterprises and small enterprises	184.13	200.95	164.85
(ii) Dues to creditors other than micro and small enterprises	11,680.00	9,370.22	8,922.57
Due to related parties (Refer note 31b)	7,029.30	5,922.59	6,835.44
	19,548.78	15,909.23	16,091.23

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Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Note 15 Other financial liabilities			
Current			
(a) Unpaid dividends	70.78	59.82	49.38
(b) Payables on purchase of fixed assets	67.98	50.62	352.71
(c) Other security deposits received	1.15	1.62	1.62
(d) Others	178.15	178.00	149.39
	318.06	290.06	553.10
Note 16 Other liabilities			
Current			
(a) Income received in advance (Unearned revenue)	4,039.19	5,169.96	2,785.32
(b) Other payables			
(i) Statutory dues (Including PF, ESI, GST,withholding taxes, etc.)[Refer Note (i) below]	3,379.44	2,627.03	2,393.97
(ii) Advances from customers under construction contracts (Refer note 28)	2,994.38	3,620.96	3,757.52
(iii) Advances from customer other than (ii) above	872.41	737.43	596.72
	11,285.42	12,155.38	9,533.53
Note (i)			
Statutory dues includes an amount of Rs.1,494.43 lakhs (Previous year Rs.1,491.15 lakhs) of service tax liability created in the books for disputed matters pending at various forums / authorities.			
Note 17 Provisions			
Current			
(a) Provision for employee benefits:			
(i) Provision for gratuity (net) (Refer Note No. 29)	63.95	103.50	158.76
(ii) Provision for compensated absences	-	-	39.01
	63.95	103.50	197.77
(b) Provision - others:			
(i) Provision for tax (net of advance tax) [Refer Note (i) below]	273.97	508.58	715.50
(ii) Provision for construction contracts	1,277.01	3,001.39	3,358.79
(iii) Provision for product support (Refer Note No. 34)	1,842.75	260.21	131.42
(iv) Provision for estimated losses on onerous contracts (Refer Note No. 34)	164.49	187.84	-
(v) Provision for liquidated damages (Refer Note No. 34)	531.12	433.38	534.90
	4,089.34	4,391.40	4,740.61
	4,153.29	4,494.90	4,938.38
Note (i)			
Provision for income tax	13,130.64	12,629.11	9,503.45
Less: Advance tax	12,856.67	12,120.53	8,787.95
Net Provision for income tax (net of advance tax)	273.97	508.58	715.50

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017	Year ended 31 March 2016
Note 18 Revenue from operations			
(a) Sale of products (Refer Note (i) below)	70,164.47	64,803.91	67,591.56
(b) Revenue from services (Refer Note (ii) below)	21,277.84	21,519.89	19,429.94
	91,442.31	86,323.80	87,021.50
(c) Other operating revenues (Refer Note (iii) below)	1,557.46	340.89	278.71
Total	92,999.77	86,664.69	87,300.21
Total - Net revenue	92,999.77	86,664.69	85,592.39
Note (i) Sale of products comprises:			
Revenue from construction contracts			
Process Control Instrumentation Systems	42,472.89	37,740.40	35,091.75
Spares and others	7,243.45	10,130.27	9,071.78
Total - Revenue from construction contracts & others	49,716.34	47,870.67	44,163.53
Sale of traded goods			
Recorders with accessories	20,560.52	17,600.38	23,428.04
Total - Sale of traded goods	20,560.52	17,600.38	23,428.04
Total - Sale of products	70,164.47	64,803.91	67,591.57
Note (ii) Sale of services comprises:			
Training, AMC, etc.	21,277.84	21,519.89	19,429.94
Total - Sale of services	21,277.84	21,519.89	19,429.94
Note (iii) Other operating revenue comprises:			
Commission (sales activity fee)	159.47	331.08	272.30
Provision for estimated losses on construction contracts no longer required written back (Refer Note 28)	1,386.46	-	-
Sale of scrap	11.53	9.82	6.41
Total - Other operating revenue	1,557.46	340.90	278.71
Note 19 Other income			
(a) Interest income (Refer Note (i) below)	643.43	808.54	135.40
(b) Other non-operating income (Refer Note (ii) below)	924.77	43.58	60.01
	1,568.20	852.12	195.41
Note (i) Interest income comprises:			
- Interest from bank on deposits	121.61	84.81	135.40
- Interest from financial assets at amortised cost	521.82	723.73	-
Total - Interest income	643.43	808.54	135.40
Note (ii) Other non-operating income comprises:			
Profit on sale of fixed assets	-	2.81	6.80
Provision for doubtful trade receivable written back	882.22	-	40.00
Miscellaneous income	42.55	40.77	-
Total - Other non-operating income	924.77	43.58	60.01

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Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017	Year ended 31 March 2016
Note 20a Cost of materials consumed			
Opening stock	1,364.47	1,906.05	1,259.43
Add: Purchases	32,007.68	32,250.30	32,552.36
	33,372.15	34,156.35	
Less: Closing stock	694.05	1,364.47	1,906.05
Cost of material consumed	32,678.10	32,791.88	31,905.74
Provisions / (Provisions written back) for expected loss on construction contracts(Refer Note.No.28)	(337.92)	(781.56)	(2,700.90)
Provision/(Provisions written back) for expected loss on onerous contracts(Refer Note 34)	(23.35)	187.84	(122.33)
Total	32,316.83	32,198.16	29,082.51
Note: Material consumed comprises process control instrumentation systems			
Note 20b Purchase of traded goods			
Recorders with accessories	15,757.29	13,453.76	19,318.69
Total	15,757.29	13,453.76	19,318.69
Note 20c Changes in inventories of work-in-progress and stock in trade			
Inventories at the end of the year:			
Work-in-progress	-	50.82	50.05
Stock-in-trade	1,710.40	1,855.99	2,293.52
	1,710.40	1,906.81	2,343.57
Inventories at the beginning of the year:			
Work-in-progress	50.82	50.05	41.94
Stock-in-trade	1,855.99	2,293.52	2,250.50
	1,906.81	2,343.57	2,292.44
Net (increase) / decrease	196.41	436.76	(51.13)
Note 21 Excise duty on sale of goods			
Excise duty on sale of goods	486.16	2,660.65	
Note 22 Employee benefits expense			
Salaries and wages	15,777.94	14,619.48	
Contributions to provident and other funds (Refer Note No. 29(α))	622.69	527.10	
Staff welfare expenses	1,423.30	1,536.10	
	17,823.93	16,682.68	
Note 23 Finance cost			
Interest on delayed / deferred payment of income tax	40.19	20.34	
	40.19	20.34	
		46,682.40	
(α) Balances with government authorities		51,173.28	
		-4,490.88	

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Note 24 Other expenses		
Consumption of stores and spare parts	15.80	15.15
Consumption of packing materials	368.36	491.10
Power and fuel	300.08	287.12
Rent including lease rentals (Refer Note 32)	692.42	582.01
Repairs and maintenance - Buildings	106.30	69.91
Repairs and maintenance - Machinery	36.44	22.52
Repairs and maintenance - Others	1,047.89	764.93
Insurance	287.62	263.37
Rates and taxes	191.13	493.62
Communication	288.17	278.86
Travelling and conveyance	6,179.27	5,653.47
Loss on fixed assets sold / scrapped / written off	6.10	-
Printing and stationery	143.08	170.04
Selling expenses	723.66	440.10
Donations and contributions	3.97	4.30
Legal and professional	385.97	307.67
Payments to auditors (Refer Note (i) below)	37.20	34.20
Net loss on foreign currency transactions and translation	3.76	71.22
Bad trade receivables written off (Refer Note (ii) below)	-	-
Provision for doubtful trade receivables/(provision written back) (net)	-	228.00
Provision for products support	1,582.97	128.79
Provision for estimated losses on construction contracts /(provision written back) (Refer Note 28)	-	424.15
Directors' sitting fees	9.10	7.07
Bank charges	245.12	209.12
Corporate Social Responsibility (Refer Note 27)	137.68	137.31
Liquidated damages [Refer Note (iv) below]	211.59	21.24
Miscellaneous expenses	1,998.69	1,894.37
Total	15,001.94	12,999.64
Notes:		
(i) Payments to the auditors comprises (excluding service tax/goods and service tax):		
As auditors - statutory audit	24.50	22.22
For taxation matters	4.50	4.28
For other services *	6.00	5.50
Reimbursement of expenses	2.20	2.20
Total	37.20	34.20
(ii) Bad debts written off	386.02	85.03
Less: Amount transferred from provision for doubtful debts	(386.02)	(85.03)
Total	-	-
(iii) Provision for product support (Refer Note 34)	1,582.97	214.31
Less: Utilisation during the year	-	85.52
Total	1,582.97	128.79
(iv) Provision for liquidated damages (Refer Note 34)	319.32	291.22
Less: Reversal during the year	107.73	269.98
Total	211.59	21.24

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
25 Contingent liabilities and commitments (to the extent not provided for)			
(i) Contingent liabilities			
(a) Claims against the Company not acknowledged as debt			
(i) Income tax matters in dispute (includes paid under protest Rs.1,518.35 lakhs)	5,006.14	3,343.56	3,087.05
(ii) Service tax dispute	231.71	-	-
(b) Bank guarantees	21,237.08	19,187.50	19,127.60
Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligation is not remote	26,474.93	22,531.06	22,214.65
(ii) Other Commitments			
(a) Commitment for procurement of property, plant and equipment	61.99	64.51	51.59
TOTAL	61.99	64.51	51.59

Note: During the previous year, Directorate of Revenue Intelligence, Government of India visited the Company head office for examining imports and exports relating to customs transactions. On the basis of examination, the Company has been informed that there could be a possible undervaluation of imports pertaining to earlier years and consequently, the Company had voluntarily deposited a sum of Rs. 200 lakhs with the Customs authorities under protest with the right to legally contest later. The Company has not received notice or demand from the custom authorities arising out of the inspection which is still under investigation during the current year, hence the quantification of liability, if any, has not been determined. Accordingly, no provision has been considered in these financial statements.

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

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	146.28	169.00	144.91
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	1.52
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	5.90	12.00	18.43
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	37.85	31.95	19.95
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	37.85	31.95	19.95

The said information regarding Micro and Small Enterprises has been determined to the extent such parties have identified on the basis of information collected by the Management bases on enquiries made with the parties. This has been relied upon by the auditors.

27 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and woman economic empowerment, providing disaster relief and undertaking rural development projects.

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017
	In cash	Yet to be paid in cash	Total
Gross amount required to be spent by the company during the year		137.68	137.31
(b) Amount spent during the year on:			
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	330.23 (180.75)	137.68 (149.48)	467.91 (330.23)

Notes:

(i) Figures in bracket relates to the previous year

(ii) Amount spent in cash includes Rs. 137.31 lakhs provided in FY 2016-17 and Rs. 111.75 lakhs provided in FY 2015-16 and Rs. 81.17 lakhs in FY 2014-15

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017	Year ended 31 March 2016
28 Details of contract revenue and costs			
a) Contract revenue recognised during the year	38,854.87	39,806.00	36,480.66
b) Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	126,035.03	104,761.78	79,130.18
c) Advances received for contracts in progress	2,994.38	3,620.96	3,757.52
d) Retention money for contracts in progress	7,819.18	7,012.48	5,571.40
e) Gross amount due from customers for contract work (Unbilled receivables)	9,339.62	7,494.01	9,228.09
f) Gross amount due to customers for contract work (Income received in advance)	3,926.68	5,088.41	2,696.44
g) Provision /(provision written back) for expected loss on construction contracts as per Ind AS 11. For movement in these accounts refer below note:-	1,277.01	3,001.39	3,358.79
Materials	(337.92)	(781.56)	(2,700.90)
Other income	(1,386.46)	-	-
Expense	-	424.15	1,076.56
	(1,724.38)	(357.41)	(1,624.34)

29 Employee benefit plans**29 (a) Defined contribution plans**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 367.00 Lakhs (Year ended 31 March, 2017 Rs. 324.78 Lakhs) for Provident Fund contributions and Rs. 195.24 Lakhs (Year ended 31 March, 2017 Rs. 163.39 Lakhs) for Superannuation Fund contributions. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

29 (b) Defined benefit plans**Gratuity**

The Gratuity scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

These plans typically expose the company to actuarial risks such as:

- (i) Investment Risk: The fund is managed by LIC, fund manager. So the details of composition of plan assets managed by the fund manager is not available with the company. However, the fall in plan assets will increase the defined benefit obligation.
- (ii) Interest rates risks: the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit will tend to increase.
- (iii) Salary Inflation risks: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plans participants. As such increase in salary will increase the defined benefit obligation.
- (iv) Demographic risks: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during their employment. As the increase in life expectancy of the plan participants will increase the plan's liability.

In respect of the plan, the most recent actuary valuation of plan assets and the present values of the defined benefit obligation were carried as at March 31, 2018, March 31, 2017 and April 1, 2016 by M/S. Armstrong International Employees Benefit Solution, Mr. Srinivasan Nagasubramaniam, fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related service cost and the past service cost, were measured using the projected unit credit method.

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(All amounts in Rs. lakhs, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service cost		
Current service cost	161.74	156.01
Net interest expense	4.06	8.16
Immediate recognition of (gain)/losses-Other long term benefits	-	-
	165.80	164.17
Amount recognised in other comprehensive income in respect of these defined benefit plans are as follows:		
Return of plan assets (excluding amount included in net interest expense)	1.98	(12.84)
Actuarial gains and loss arising from changes in financial assumptions in DBO	(64.03)	140.86
Actuarial gains and loss arising from experience adjustments in DBO	(43.30)	(253.26)
Actuarial gains and loss arising from changes in demographic assumptions in DBO	-	-
Amortisation actuarial loss/(gain)	-	-
	(105.35)	(125.24)
Total	60.45	38.93

Amount recognised in the balance sheet			
	For the year ended 31 March 2018	For the year ended 31 March 2017	Year ended 31 March 2016
Present value of defined benefit obligation	2,234.03	2,083.31	1,948.81
Fair value of plan assets	2,170.08	1,979.81	1,790.05
	63.95	103.50	158.76
Current portion of the above	63.95	48.60	158.76
Non current portion of the above	-	54.90	-

Movement in present value of defined benefit obligation are as follows:		
	As at 31 March, 2018	As at 31 March, 2017
Opening defined benefit obligation	2,083.29	1,948.81
Expenses recognised in profit and loss account		
- Current service cost	161.74	156.01
- Interest expense (income)	155.86	140.63
Recognised in other comprehensive income		
Remeasurement gains/(losses)		
- Actuarial gain/(loss) arising from:		
i. Demographic assumptions	-	-
ii. Financial assumptions	(64.03)	140.86
iii. Experience adjustments	(43.30)	(253.26)
Benefit payments	(59.55)	(49.76)
Closing defined obligation	2,234.01	2,083.29

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

Movement in fair value of plan assets is as follows:

		For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets		1,979.80	1,790.05
Expenses recognised in Profit & Loss Account			
- Expected return on plan assets		151.80	132.48
Recognised in other comprehensive income			
Remeasurement gains/(losses)			
- Actual return on plan assets in excess of the expected return		(1.97)	12.83
Contributions by employer (including benefit payments recoverable)		100.00	94.20
Benefit payments		(59.55)	(49.76)
Closing fair value of plan asset		2,170.08	1,979.80
The Major categories of plan assets			
Assets under insurance schemes	100%	100%	100%
Actuarial assumptions			
1. Discount rate	7.59%	7.31%	8.00%
2. Expected rate of return on plan assets	7.59%	7.31%	8.00%
3. Salary escalation	13.00%	13.00%	13.00%
4. Attrition rate	5.00%	5.00%	5.00%
5. Mortality rate			

As per IALM (2006-08) ultimate

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 100 Basis Points)	2,022.38	2,484.03	1,875.46	2,330.23
Salary Growth Rate (- / + 100 Basis Points)	2,329.13	2,134.14	2,183.54	1,978.58
Attrition rate (- / + 100 Basis Points)	2,196.04	2,276.39	2,036.21	2,137.07

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 are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows towards the plans are as follows:

Particulars	Amount
2018-19	121.43
2019-20	112.29
2020-21	118.56
2021-22	127.22
2022-23	86.50
2023-24 to 2028- 29	572.33
Payouts above ten years	1,095.70

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30 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 Company has identified business segments as its primary segment and geographic segments as its secondary segment. Since the Company is engaged solely in the Industrial Automation segment, primary reporting disclosure for business segment, as envisaged in Ind AS 108 is not disclosed. Revenues and expenses directly attributable to the geographic segment are reported under such segment. Assets and liabilities that are directly attributable or allocable to secondary segment are disclosed under such reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company includes Japan, Singapore, Middle East & others.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic segment	India		Outside India		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue by geographical segment						
a) Sale and services (Net)	66,079.44	58,326.65	25,362.87	27,997.15	91,442.31	86,323.80
b) Other income	1,557.46	340.89	-	-	1,557.46	340.89
Segment revenue	67,636.90	58,667.54	25,362.87	27,997.15	92,999.77	86,664.69

Note

The assets of the Company are commonly employed for both domestic and export business, hence it is not possible to report segment assets and capital expenditure by geographical segment. No disclosure has been made in respect of assets outside India as the amounts involved are less than 10% of the total segment revenues or assets.

31 Related party disclosures

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

31a Related parties with relationship

Description of relationship

Holding Company

Parties under common control with whom transactions have taken place during the year

Names of related parties

Yokogawa Electric Corporation, Japan (YEC)

Rota Yokogawa GmbH & Co. KG, Germany

Yokogawa Europe B.V., Romania

Yokogawa Corporation Of America, USA

Yokogawa Engineering Asia Pte Limited, Singapore

Yokogawa Electric Asia Pte Ltd, Singapore

Yokogawa Europe B.V., Netherlands

Yokogawa Engineering Middle East, UAE

Yokogawa Meters & Instruments, Japan

Yokogawa Middle East E.C, Bahrain

Yokogawa System Centre Europe B.V., Netherlands

Yokogawa Solutions Limited, Japan

Yokogawa Australia Pty Ltd., Australia

Yokogawa Sichuan Instruments, China

Yokogawa China Co. Ltd, China

Yokogawa Industrial Safety Systems, Netherlands

Yokogawa Electric Korea Ltd., South Korea

Yokogawa Electric (M) SDN BHD, Malaysia

Yokogawa (Thailand) Limited, Thailand

Yokogawa IA Tech India Pvt Ltd, India

Yokogawa Saudi Arabia Co., KSA

Yokogawa Digital Computer Corporation, Japan

Omega Simulation Co. Ltd., Japan

Yokogawa Electric CIS, Japan

Notes forming part of the financial statements

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	Yokogawa Marex Limited,UK Yokogawa America Do Sul,Brazil Yokogawa United Kingdom Ltd.,UK Yokogawa Electric International Pte Ltd.,Singapore Yokogawa Canada Inc.,Canada Yokogawa South Africa (Pty) Ltd,South Africa Yokogawa Italia S.R.L,Italy Yokogawa Europe Solution B.V., Netherlands Yokogawa Deutschland GmbH.,Germany Yokogawa System Engineering Corpn. Japan PT. Yokogawa Indonesia, Indonesia Industrial Knowledge, USA Yokogawa Industrial Safety Systems Sdn. Bhd. Malaysia
Key Management Personnel (KMP)	Mr. Tsutomu Murata, Managing Director Mr. Sajiv Ravindran Nath- Managing Director Mr Naoki Nakamura - Director
Company in which KMP / Relatives of KMP can exercise significant influence.	Yokogawa India Limited Employees Provident Fund Yokogawa India Limited Employees Provident Fund Yokogawa India Limited Employees Superannuation Fund Yokogawa India Limited Employees Gratuity Fund

31b Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

Particulars	Holding Company	Parties under common control	Key Management Personnel	Entities in which KMP / relatives of KMP have significant influence	Total
(i) Sales and services					
Yokogawa Electric Corporation,Japan	623.82 (671.95)	- (-)	- (-)	- (-)	623.82 (671.95)
Yokogawa Middle East E.C., Bahrain	-	9,144.65	-	-	9,144.65
Yokogawa Engineering Asia Pte.Limited,Singapore	(-)	(11,710.06)	(-)	(-)	(11,710.06)
Yokogawa Europe Solutions B V	-	1,071.34	-	-	1,071.34
Yokogawa Solution Service Coporation	(-)	(557.87)	(-)	(-)	(557.87)
Others	-	2,428.23	-	-	2,428.23
	(-)	(3,514.99)	(-)	(-)	(3,514.99)
	-	3,347.69	-	-	3,347.69
	(-)	(3,910.79)	(-)	(-)	(3,910.79)
	-	1,962.55	-	-	1,962.55
	(-)	(1,573.07)	(-)	(-)	(1,573.07)
(ii) Commission received					
Yokogawa Electric Corporation,Japan	9.41 (87.43)	- (-)	- (-)	- (-)	9.41 (87.43)
Yokogawa Meters & Instruments ,Japan	-	150.06	-	-	150.06
	(-)	(236.94)	(-)	(-)	(236.94)
(iii)Purchase of raw materials and components					
Yokogawa Electric Corporation,Japan	19,281.85 (18,913.77)	- (-)	- (-)	- (-)	19,281.85 (18,913.77)
Yokogawa Meters & Instruments ,Japan	-	1,477.24	-	-	1,477.24
	(-)	(1,034.82)	(-)	(-)	(1,034.82)
Rota Yokogawa GmbH & Co. KG,Germany	-	1,474.64	-	-	1,474.64
	(-)	(688.47)	(-)	(-)	(688.47)
Yokogawa Corporation of America, USA	-	72.30	-	-	72.30
	(-)	(332.81)	(-)	(-)	(332.81)

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(All amounts in Rs. lakhs, unless otherwise stated)

Yokogawa Process Analysers	-	297.27	-	-	297.27
	(-)	(249.25)	(-)	(-)	(249.25)
Yokogawa Electric International Pte Ltd, Singapore	-	117.71	-	-	117.71
	(-)	(214.87)	(-)	(-)	(214.87)
Others	-	49.86	-	-	49.86
	(-)	(98.59)	(-)	(-)	(98.59)
(iv) Purchase of fixed assets					
Yokogawa Electric Corporation, Japan	4.78	-	-	-	4.78
	(445.28)	(-)	(-)	(-)	(445.28)
Yokogawa Manufacturing Corporation	-	74.44	-	-	74.44
	(-)	(69.71)	(-)	(-)	(-69.71)
Yokogawa Meters & Instruments, Japan	-	9.93	-	-	9.93
	(-)	(19.01)	(-)	(-)	(19.01)
Others	-	0.00	-	-	0.00
	(-)	(13.15)	(-)	(-)	(-13.15)
(v) Expenses :					
Insurance	9.99	-	-	-	9.99
	(16.25)	(-)	(-)	(-)	(16.25)
Communication expenses	47.83	-	-	-	47.83
	(27.79)	(-)	(-)	(-)	(27.79)
Engineering service fees	100.52	-	-	-	100.52
	(96.34)	(-)	(-)	(-)	(96.34)
Management fees	78.57	-	-	-	78.57
	(101.79)	(-)	(-)	(-)	(101.79)
Global sales and marketing activity fee	187.00	-	-	-	187.00
	(219.56)	(-)	(-)	(-)	(219.56)
After sales service fee:					
Yokogawa Electric Corporation, Japan	142.00	-	-	-	142.00
	(119.79)	(-)	(-)	(-)	(119.79)
Yokogawa Engineering Asia Pte Ltd, Singapore	-	0.00	-	-	0.00
	(-)	(11.73)	(-)	(-)	(11.73)
Yokogawa Thailand Limited, Thailand	-	0.00	-	-	0.00
	(-)	(3.68)	(-)	(-)	(3.68)
Yokogawa Philipines Incorporated	-	0.00	-	-	0.00
	(-)	(1.34)	(-)	(-)	(1.34)
Yokogawa Vietnam Company Limited	-	0.00	-	-	0.00
	(-)	(0.03)	(-)	(-)	(0.03)
Salaries, allowances and reimbursement:					
Yokogawa Electric Corporation, Japan	308.27	-	-	-	308.27
	(314.78)	(-)	(-)	(-)	(314.78)
Yokogawa Electric International PTE Ltd, Singapore	-	148.42	-	-	148.42
	(-)	(140.29)	(-)	(-)	(140.29)
Yokogawa Solution Service, Japan	-	111.05	-	-	111.05
	(-)	(24.06)	(-)	(-)	(24.06)
PT.Yokogawa, Indonesia	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Yokogawa Manufacturing Corporation	-	49.72	-	-	49.72
	(-)	(45.68)	(-)	(-)	(45.68)
Training expenses:					
Yokogawa Electric Corporation, Japan	40.44	-	-	-	40.44
	(2.05)	(-)	(-)	(-)	(2.05)
Yokogawa Solution Service, Japan	-	0.00	-	-	0.00
	(-)	(1.59)	(-)	(-)	(1.59)
Yokogawa Engineering Asia Pte Ltd, Singapore	-	2.42	-	-	2.42
	(-)	(3.30)	(-)	(-)	(3.30)
Yokogawa China Co. Ltd., China	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Yokogawa Electric (M) SDN BHD	-	10.04	-	-	10.04

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

	(-)	(-)	(-)	(-)	(-)
Yokogawa Europe Solution B.V	-	25.47	(-)	(-)	25.47
	(-)	(-)	(-)	(-)	(-)
CEC support fees					
Yokogawa Electric International PTE Ltd, Singapore	-	433.56	-	-	433.56
	(-)	(405.21)	(-)	(-)	(405.21)
Professional and consultation fees					
Yokogawa Engineering Asia Pte Ltd, Singapore	1.31	-	-	-	-
	(-)			(-)	
Yokogawa Electric Corporation, Japan	14.39	-	(-)	(-)	14.39
	(21.26)	(-)			(21.26)
Purchased services					
Yokogawa Electric Corporation, Japan	18.16	-	-	-	18.16
	(89.41)	(-)	(-)	(-)	(89.41)
Yokogawa Solution Service Corporation	-	48.77	-	-	-
	(-)	(-)	(-)	(-)	(-)
Yokogawa Europe Solutions, Netherlands	-	14.65	-	-	14.65
	(-)	(21.18)	(-)	(-)	(21.18)
Yokogawa Electric International Pte Ltd, Singapore	-	100.74	-	-	100.74
	(-)	(115.85)	(-)	(-)	(115.85)
Yokogawa Electric CIS, Ltd.,	-	-	-	-	0.00
	(-)	(57.01)	(-)	(-)	(57.01)
Yokogawa IA Technologies India	-	-	-	-	-
	(-)	(5.43)	(-)	(-)	-5.43
Others	-	-	-	-	0.00
	(-)	(0.30)	(-)	(-)	(0.30)
Other expenses:					
Yokogawa Electric Corporation, Japan	165.21	-	-	-	165.21
	(21.73)	(-)	(-)	(-)	(21.73)
Soteica Europe, S.L.U.	-	192.82	-	-	192.82
	(-)	(-)	(-)	(-)	(-)
Yokogawa Electric International PTE	-	48.00	-	-	48.00
	(-)	(-)	(-)	(-)	(-)
Yokogawa Engineering Asia Pte Ltd, Singapore	-	36.43	-	-	36.43
	(-)	(14.83)	(-)	(-)	(14.83)
Yokogawa Europe Solutions, Netherlands	-	-	-	-	0.00
	(-)	(7.33)	(-)	(-)	(7.33)
Others	-	11.47	-	-	11.47
		(0.65)	(-)	(-)	-0.65
(vi) Contribution to provident and other fund					
Yokogawa India Limited Employees Provident Fund	-	-	-	207.01	207.01
	(-)	(-)	(-)	(173.49)	(173.49)
Yokogawa India Limited Employees Superannuation Fund	-	-	-	195.24	195.24
	(-)	(-)	(-)	(163.38)	(163.38)
Yokogawa India Limited Employees Gratuity Fund	-	-	-	60.45	60.45
	(-)	(-)	(-)	(38.94)	(38.94)
(vii) Managerial remuneration					
Mr. Sajiv Ravindran Nath (DOJ 13th November 2017)	-	-	94.09	-	94.09
Mr. Tsutomu Murata (DOL 5th December 2017)	-	-	129.47	-	129.47
Mr. Naoki Nakamura (DOL 15th June 2017)	-	-	194.26	-	194.26
Mr. Tsutomu Murata	(-)	(-)	(241.38)	(-)	(241.38)
(viii) Balances outstanding at the end of the year:					
(a) Trade receivables	173.18	3,274.03	-	-	3,447.21
	(270.99)	(3,008.61)	(-)	(-)	(3,279.60)
(b) Loans and advances	74.37	-	-	-	74.37
	(54.52)	(-)	(-)	(-)	(54.52)
(c) Trade payables	5,186.18	1,020.43	-	-	6,206.61
	(3,910.93)	(841.46)	(-)	(-)	(4,752.40)
(d) Other payables	-	727.54	-	95.15	822.69
	(-)	(1,040.02)	(-)	(130.17)	(1,170.19)

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Note 1: Related party relationships are as identified by the Company on the basis of information available with the Company and relied upon by the auditors.

Note 2: There have been no dues from or to related parties which have been written off or written back during the year.

Note 3: Figures in bracket relates to the previous year.

		(vi) Contribution to provident and other fund		(ix) (c) Balances outstanding at the end of the year			
		2017-18	2016-17			2017-18	2016-17
711100	Co's Contribution to PF	20,700,607.00	17,349,238.00	PF 420261		3,120,058.00	2,666,575.00
711140	Co's Contribution to Benevolent Fund	1,335,715.00	790,160.00	Benevolent Fund 420271			
711125	Co's Contribution to Super Annuation Fu	19,523,552.00	16,338,061.00	Co's Contribution to Super Annuation Fu 250206		0.00	0.00
711130	Co's Contribution to Gratuity Fund	6,044,684.00	3,893,802.00	Co's Contribution to Gratuity Fund 250205			
		6,394,789.00	10,350,105.00				
		47,604,558.00	38,371,261.00			9,514,847.00	13,016,680.00

32 Operating lease

The Company has entered into operating lease arrangements for certain facilities and office premises (including those for employee residences). Some of these leases are non-cancellable and are for a period of 6 to 36 months and may be renewed for a further period of 11 months to 36 months based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 15% every 11 months.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
32a The future minimum lease payment under non-cancellable operating lease commitments:			
not later than one year	295.03	147.21	178.13
later than one year and not later than five years	819.70	413.39	107.87
later than five years	-	-	-
	1,114.74	560.60	286.00
32b Payments recognised as an expense			
Non-cancellable	357.40	276.92	195.60
Others	335.02	305.09	218.83
	692.42	582.01	414.43

33 Earnings per share

	For the year ended 31 March 2018	For the year ended 31 March 2017
Basic		
Net profit for the year attributable to owners of the Company	7,829.55	5,157.03
Weighted average number of equity shares	87.50	87.50
Par value per share	10.00	10.00
Earnings per share - basic	89.48	58.94
Diluted		
Net profit / (loss) for the year	7,829.55	5,157.03
Weighted average number of equity shares	87.50	87.50
Par value per share	10.00	10.00
Earnings per share- diluted	89.48	58.94

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

34 Details of provisions

The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

	As at 1 April, 2017	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2018
Provision for product support	260.20 (131.42)	1,582.54 (214.31)	- (85.53)	- -	1,842.74 (260.20)
Provision for estimated losses on onerous contracts	187.84 ()	- (187.84)	23.35 ()	- ()	164.49 (187.84)
Provision for liquidated damages	433.38 (534.90)	319.32 (291.22)	113.85 (122.75)	107.73 (269.98)	531.11 (433.38)
Total	881.42 (666.32)	1,901.86 (693.37)	23.36 (122.75)	221.58 (269.98)	2,538.35 (621.22)

Note: Figures in brackets relate to the previous year.
Of the above, the following amounts are expected to be incurred within a year:

	As at 31 March, 2018	As at 31 March, 2017
Provision for product support	1842.74	130.10
Provision for estimated losses on onerous contracts	164.49	187.84

35 Income tax

The major components of income tax expense are:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	4,336.33	3,125.67
Deferred tax charge/ (credit)		
Relating to the origination and reversal of temporary differences	(201.68)	(339.75)
Income tax expense reported in Statement of Profit and Loss	4,134.65	2,785.92
Deferred tax related to items recognised in other comprehensive income		
Income tax relating to re-measurement gains on defined benefit plans	(36.46)	(43.34)
	(36.46)	(43.34)
Reconciliation of deferred tax (net)	As at 31 March 2018	As at 31 March 2017
Opening balance	3,576.64	3,280.23
Tax credit/ (expense) during the year recognized in statement of profit and loss	201.68	339.75
Tax expense during the year recognised in other comprehensive income	(36.46)	(43.34)
Closing balance	3,741.85	3,576.64
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax and exceptional item	11,964.20	7,942.95
Tax on accounting profit at statutory income tax rate [34.608%]	4,140.57	2,748.90
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Other disallowances	(5.92)	37.03
At the effective income tax rate of 34.434%	4,134.65	2,785.92
Income tax expense reported in the Statement of Profit and Loss	4,134.65	2,785.92

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	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred tax (liability) / asset			
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax			
balance of fixed assets	374.02	401.64	443.88
Tax effect of items constituting deferred tax liability	374.02	401.64	443.88
Tax effect of items constituting deferred tax assets			
Provision for compensated absences, gratuity and other employee benefits	769.15	594.02	441.83
Provision for doubtful debts/advances	354.66	312.94	269.24
Provision for custom and service tax	794.19	744.21	190.49
Provision for estimated loss on contract	1,925.65	1,446.34	1,933.64
Deferred tax impact due to measurement of assets at amortised cost	272.22	880.76	888.91
	4,115.87	3,978.27	3,724.11
Net deferred tax (liability) / asset	3,741.85	3,576.63	3,280.23

36 Financial instruments

A Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximise share-holder value.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Total equity attributable to the equity shareholders of the company	29,657.59	24,918.62	22,839.05
As a percentage of total capital	100%	100%	100%
Borrowings	-	-	-
As a percentage of total capital	-	-	-
Total	29,658.59	24,919.62	22,840.05

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with liquid investments.

B Categories of financial Instruments

The fair value of financial instruments by categories as at 31 March 2018, 31 March 2017, and 1 April 2016 is as below:

Particulars	Carrying Value			Fair Value		
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Financial assets						
Measured at amortised cost						
(a) Trade receivables	24,626.37	19,270.28	20,754.44	24,626.37	19,270.28	20,754.44
(b) Cash and cash equivalents	2,674.78	1,649.88	1,054.05	2,674.78	1,649.88	1,054.05
(c) Bank balance other than cash and cash equivalent	2,580.78	3,559.82	49.38	2,580.78	3,559.82	49.38
(c) Loans	98.90	113.19	102.33	98.90	113.19	102.33
(d) Other financial assets	17,679.10	14,992.10	15,124.73	17,679.10	14,992.10	15,124.73
Total	47,659.93	39,585.27	37,084.93	47,659.93	39,585.27	37,084.93
Financial liabilities						
Measured at amortised cost						
(a) Trade payables	19,548.78	15,909.23	16,091.23	19,548.78	15,909.23	16,091.23
(b) Other financial liabilities	318.06	290.06	553.10	318.06	290.06	553.10
Total	19,866.84	16,199.29	16,644.33	19,866.84	16,199.29	16,644.33

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets and trade payables approximate the carrying amount largely due to short-term maturity of these 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.

Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

C Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's financial risk management is supported by the finance department

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(i) Management of credit risk

Credit risk is the risk of financial loss to the Company arising from counter party failure to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after necessary approvals for credit.

Trade and other receivables

The Company assess the customers credit quality by taking into account their financial position, past experience and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Japan. 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. 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.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance at the beginning	1,920.12	1,792.12	1,792.12
Impairment loss recognised	-	128.00	-
Impairment loss reversed	(1,268.00)	-	-
Balance at the end	652.12	1,920.12	1,792.12

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Revenue from top 5 customers	20,602.71	18,877.66	20,602.13
Revenue from top customer	5,823.18	5,933.96	7,233.83
Receivables from top 5 customers	7,033.67	7,569.00	8,552.89
Receivables from to customer	1,937.14	2,483.14	2,876.39

Geographical concentration of credit risk

The Company has geographical concentration of trade receivables, net of advances as given below:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
India	72,659.81	67,749.59	67,743.52
Rest of the world	20,339.96	25,250.19	17,848.87

Geographical concentration of the credit risk is allocated based on the location of the customers.

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Notes forming part of the financial statements

(All amounts in Rs. lakhs, unless otherwise stated)

(ii) Management of liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in the cash flow could undermine the Company's credit rating and impair investor confidence. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows:

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	19,549	-	-	19,549
Other financial liabilities	318	-	-	318
Total	19,867	-	-	19,867
As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	15,909	-	-	15,909
Other financial liabilities	290	-	-	290
Total	16,199	-	-	16,199
As at 1 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	16,091	-	-	16,091
Other financial liabilities	553	-	-	553
Total	16,644	-	-	16,644

(iii) Management of market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- interest rate risk
- currency risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

MANAGEMENT POLICY	POTENTIAL IMPACT OF RISK	SENSITIVITY TO RISK
<p>(i) Interest rate risk The Company is not exposed to interest rate risk because it does not have any borrowings</p>	NA	The Company is not exposed to interest Risk
<p>(ii) Price risk Major raw materials purchase is from international market and less dependency on domestic market. The prices of the Company's raw materials generally fluctuate in line with commodity cycles.</p>	The objective of the Company is to minimise the impact of raw material cost fluctuations. Centralised procurement team evaluate and manage through operating procedures and sourcing policies.	The prices of the Company's raw materials generally fluctuate in line with commodity cycles. Hence sensitivity analysis is not done.
<p>(iii) Currency risk. The Company operates internationally 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.</p>	Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, BDT, SGD, JPY, AED and SEK against the functional currency of the Company. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's profits measured in rupees may increase. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.	The Company has risk management team and treasury team who will monitor and reduce the risk due to exchange fluctuation. For the year ended 31 March, 2018 for the every 1% increase/decrease in respective foreign currencies compared to functional currency of the Company would impact operating margins before tax. Refer below.

The following table sets forth information relating to foreign currency exposures as at 31 March, 2018, 31 March, 2017 and 1 April, 2016:

Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Financial assets							
Trade receivables	USD	58.92	3,803.46	79.34	5,145.23	25.23	1,672.04
	EURO	-	-	0.99	70.25	0.78	58.56
	BDT	348.09	274.20	102.35	88.02	8.60	7.43
	AED	3.24	58.59	-	-	-	-
	SGD	0.06	3.03	-	-	-	-
Financial liabilities							
Trade payables	USD	92.23	6,033.04	80.41	5,214.22	67.01	4,274.09
	EURO	8.21	669.22	3.96	274.11	0.78	58.39
	BDT	570.28	449.32	127.78	110.49	-	-
	SGD	-	-	0.10	4.47	0.02	0.82
	JPY	500.20	309.30	175.72	101.57	557.16	327.75
	SEK	-	-	0.23	1.65	-	-

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Conversion rates	Financial assets						Financial liabilities				
	USD	EUR	BDT	AED	SGD	USD	EUR	BDT	SGD	YEN	SEK
As at 31 March 2018	64.55	81.51	0.79	18.08	50.58	65.41	81.51	0.79	50.58	0.62	7.80
As at 31 March 2017	64.85	70.96	0.86	17.66	44.70	64.85	69.22	0.86	44.70	0.58	7.17
As at 1 April 2016	66.27	75.08	0.86	18.05	41.00	63.78	74.86	0.86	41.00	0.59	8.15

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the Rs. against the relevant foreign currencies net of forward contracts. 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 Rs. strengthens 1% against the relevant currency. For a 1% weakening of Rs. against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase	Decrease	Increase	Decrease
	31 March 2018	31 March 2018	31 March 2017	31 March 2017
Sensitivity				
INR/USD	(21.79)	21.79	(0.69)	0.69
INR/EURO	(6.69)	6.69	(2.06)	2.06
INR/BDT	(1.75)	1.75	(0.22)	0.22
INR/AED	0.59	(0.59)	-	-
INR/SGD	0.03	(0.03)	(0.04)	0.04
INR/YEN	(3.09)	3.09	(1.02)	1.02
INR/SEK	-	-	(0.02)	0.02

D Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no Level 1, Level 2 and Level 3 during the years.

37 First-time adoption of Ind AS

The Company has prepared the balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

A Exemptions and exceptions availed

Set out below are applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

All Ind AS optional exemptions

(a) Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind As 40. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(b) Lease

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

A2 Ind AS mandatory exemptions**(a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

(b) Classification and measurement of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of the financial assets has been based on the facts and circumstances that exist at the date of transition to Ind AS.

(c) De-recognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

B Explanation & transition to IND AS

The Transition as at 1 April, 2016 to IND AS was carried out from previous GAAP. The reconciliation of equity and total comprehensive income in accordance with previous GAAP to IND AS are explained below:

i) Equity reconciliation	Note	As at 31 March 2017	As at 1 April 2016
a) Equity share capital		25,707.82	20,469.95
b) Other equity		875.00	875.00
Adjustments on account of:			
Net impact of discounting of non-current financial assets	1	(1,514.10)	(1,554.35)
Expected Credit Loss assessment for trade receivables	2	(1,030.86)	(1,014.16)
Dividend proposed in the previous year, paid	3	-	2,639.33
Dividend distribution tax	3	-	534.37
Deferred tax impact on above Ind AS adjustment	4	880.76	888.91
Equity as per IND AS		24,918.62	22,839.05
ii) Total comprehensive income reconciliation			
			For year ended 31 March 2017
Net profit as per previous GAAP			5,348.77
Adjustments on account of:			
Actuarial (gain)/loss (net of taxes) on defined benefit plans considered under other comprehensive income	5		(125.24)
Measurement of security deposits at amortised cost	1		(2.34)
Measurement of retention money at amortised cost	1		42.58
Expected Credit Loss assessment for trade receivables	2		(1.86)
Expected Credit Loss assessment for retention money	1		(14.84)
Deferred tax impact on above Ind AS adjustments	4		(8.15)
Total comprehensive income as per Ind AS			5,238.92

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37 First time adoption of Ind AS (cont'd)

1 Financial assets at amortised cost

Under the Previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) and retention money paid to customers were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has recognised these security deposits and retention money at fair value and are carried at amortised cost using the effective interest rate method.

2 Expected credit loss assessment for trade receivables

Under the Previous GAAP, the Company has created a provision for impairment of receivables only with respect to specific amount for losses incurred. Under Ind AS 109, Financial Instruments, impairment allowance has been determined based on Expected Loss model (ECL). On application of the ECL model, the Company impaired part of its trade receivable on 1 April 2016 which has been adjusted with retained earnings. The impact for year ended on 31 March 2017 has been recognised in the Statement of Profit and Loss.

3 Adjustment for proposed dividend

Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable and dividend distribution tax thereon under Ind AS is lower and retained earning is higher.

4 Deferred tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS 12, Income Tax, deferred taxes are recognised following the Balance Sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base.

5 Remeasurement on defined benefit obligation

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income whereas in previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.

38 This being the first year of presentation of financial statements under Ind AS, the balance for the prior periods has been regrouped/reclassified to confirm with the current year groupings/classifications.

Signatures to significant accounting policies and notes 1 to 38

For and on behalf of the Board of Directors

Hideki Matsubayashi	Chairman
Sajiv Ravindran Nath	Managing Director
Auro Sarathi Shah	Chief Financial Officer
B S Srinivasa	Company Secretary

Place : Bangalore

Date : 23.08.2018

YOKOGAWAINDIA LIMITED

Regd. Office : Plot No. 96, Electronic City Complex,
3rd Cross, Hosur Road, Bangalore – 560 100.

CIN: U74210KA1987FLC008304
Tel No.: 080 41586000
Fax: 080 28521442

E-mail: contactus@in.yokogawa.com
Website: www.yokogawa.com

ATTENDANCE SLIP

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No. /DP ID & Client ID:

Sr. No:

Name and Address of the Shareholder:

Name (s) of the Joint Holder(s), if any:

No, of Shares held;

Full name of the Proxy (IN BLOCK LETTERS)

Member's /Proxy's Signature

I hereby record my presence at the 31st Annual General Meeting of the Company held on Wednesday, 26th September, 2018 at 11.00 a. m at Shanri-La Hotel, No. 56-6B, Palace Road, Bengaluru - 560 052.

Note:

1. Please complete the Folio/DP ID-Client No. and name, sign this attendance slip and hand it over at the Attendance verification counter at the entrance of the Meeting Venue. Attendance Slip shall be also be issued at the Venue.
2. Electronic copy of the Annual Report for the year ended March 31, 2018 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all members whose email address is registered with the Company/Depository Participant unless any member has requested for hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for the year ended March 31, 2018 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted Mode(s) to all members whose E-mail Id is not registered or have requested for hard copy.

E-Voting Particulars

REVEN (Remote E-voting Event Number)	User ID	Password/PIN

Note : please read instruction given at Note No. III of the Notice of the 31st Annual General Meeting carefully before voting electronically.

FORM NO. MGT – 11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

YOKOGAWA INDIA LIMITED

CIN:U74210KA1987FLC008304

Regd. Office: 96, Electronic City Complex, Hosur Road, Bangalore-560100

Tel: 080 41586000 / Fax: 080 28521442

Website: www.yokogawa.com / E-mail: srinivasa.bs@in.yokogawa.com

31st Annual General Meeting (26.09.2018)

Name of the Member (s) :	
Registered address :	
Email ID :	
Folio No. / Client ID :	DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint:

1. Name:
Address:
E-mail ID:
Signature: or failing him

2. Name:
Address:
E-mail ID:
Signature: or failing him

3. Name:
Address:
E-mail ID:
Signature: or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf 31st Annual General Meeting of the Company held on Wednesday, 26th September, 2018 at 11.00 a. m at **Shanri-La Hotel, No. 56-6B, Palace Road, Bengaluru - 560 052, Karnataka, India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
	Ordinary Business:		
1.	Adoption of the Audited Annual Financial Statements of the Company comprising of the Statement of Profit and Loss for the financial year ended 31 st March, 2018 and the Balance Sheet and the Cash Flow Statement as that date together with the Reports of the Board of Directors and the Statutory Auditors thereon.		
2.	Declaration of dividend for the year ended 31 st March, 2018.		
3.	To appoint a Director in the place of Ms. Naoko Ehara (DIN: 07134915) who retires by rotation and being eligible, offers herself for re-appointment.		
	SPECIAL BUSINESS:		
4	To consider and appoint Mr. Sajiv Ravindran Nath (holding DIN: 02201563) as a candidate for the office of Managing Director of the Company, who shall, while holding such office as the Managing Director.		
5	To consider and appoint Mr Pierre E De Vuyst (holding Designated) as a candidate for the office of Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.		
6	To consider and appoint Mr. Naoki Nakamura(holding DIN: 07901032) as a candidate for the office of Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.		

Place : Bangalore

Date : 26.09.2018

Signed this day of ,2018.

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 31st Annual General Meeting dated 26.09.2018.
3. It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

YOKOGAWA INDIA LIMITED

CIN: U74210KA1987FLC008304

Regd. Office: 96, Electronic City Complex, Hosur Road, Bangalore-560100

Tel: 080 41586000 / Fax: 080 28521442

Website: www.yokogawa.com / E-mail: srinivasa.bs@in.yokogawa.com

BALLOT PAPER

Sl. No.	Particulars	Details
1.	Name of the first named Shareholder (in Block letters)	
2.	Postal Address	
3.	Registered Folio No./Client ID No.	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary Resolution / Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner;

Item No.	Description of Resolution(s)	No. of Shares held by me	I assent (For)	I dissent (Against)
1.	ORDINARY BUSINESS: Adoption of the Audited Annual Financial Statements of the Company comprising of the Statement of Profit and Loss for the financial year ended 31 st March, 2018 and the Balance Sheet and the Cash Flow Statement as that date together with the Reports of the Board of Directors and the Statutory Auditors thereon.			
2.	Declaration of dividend for the year ended 31 st March, 2018.			
3.	To appoint a Director in the place of Ms. Naoko Ehara (DIN: 07134915) who retires by rotation and being eligible, offers herself for re-appointment.			
	SPECIAL BUSINESS:			
4.	To consider and appoint Mr. Sajiv Ravindran Nath (holding DIN: 02201563) as a candidate for the office of Managing Director of the Company, who shall, while holding such office as the Managing Director.			
5.	To consider and appoint Mr Pierre E De Vuyst (holding DIN: (Designated) as a candidate for the office of Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.			
6.	To consider and appoint Mr. Naoki Nakamura (holding DIN: 07901032) as a candidate for the office of Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.			

Place : Bangalore

Date : 26.09.2018

Signature of Member/Proxy

INSTRUCTIONS

- * In terms of Rule 4(iii)(B) of the Companies (Management and Administration) Amendment Rules, 2015, this Ballot paper is provided to the Member present in person or by Proxy to exercise their vote in respect of the Resolutions moved at the 31st Annual General Meeting held on 26th September, 2018.
- * The Ballot Paper should be completed and signed by the members present at the meeting. In the case of joint shareholding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder(s). Unsigned ballot forms will be rejected. The signature on the Ballot Paper must tally with the specimen signature registered with the Company.
- * Proxy holders can also exercise their voting by this ballot. The Ballot Paper shall be filled up and signed by the proxy holder. The signature of the proxy holder shall tally with his/her signature appearing in the valid proxy form submitted to the Company.
- * Where the Ballot Paper has been signed by an Authorized Representative of a body corporate, a certified copy of the relevant authorization to attend and vote at the AGM should accompany the Ballot Paper. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Ballot Paper.
- * Number of votes for which a shareholder is eligible will be reckoned on the basis of number of shares registered in the name of the member on 20.09. 2018 which is the cut-off date fixed for this purpose. Every one share carries one vote.
- * There will be only one Ballot Paper for every folio irrespective of the number of joint member(s).
- * A member need not use all the votes nor does he need to cast all the votes in the same way.
- * Incomplete, unsigned or incorrect ballot Paper will be rejected.
- * The votes cast by members who have already voted through remote e-voting will not be counted.

ROUTE MAP TO THE VENUE OF THE AGM

