

YUKEN INDIA LIMITED

CIN: L29150KA1976PLC003017

Valuation Report

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Dt: 29.05.2023

Priyanka



Foreword

The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney, or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

The opinion of value given in this report is based on information provided in part by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

Public information, estimates, industry, and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.



Valuation Report of Yuken India Limited

We have performed a valuation engagement, as that term is defined in the "Valuation Standards" of the Institute of Chartered Accountants of India, in respect of "Yuken India Limited" (referred hereinafter as "the Company") as on 29th May 2023. This valuation was performed on Fair Value base using the Market Price Methodology, solely to assist in the matter of issue of equity shares by the company to Yuken Kogyo Company Limited on preferential allotment basis in terms of the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Yuken Kogyo Company Limited is the promoter of the Company.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than the one identified above.

Based on our analysis, as described in this valuation report, the estimate of value of Yuken India Limited as on 29th May 2023 was INR 629.00 per share.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in the later part of this report. A detailed working of the valuation can be found in Annexure 1 of this report. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

A. Background information of the Asset being valued.

Based on discussions with the Management and the secretarial team, we understand that the company, Yuken India Limited is a listed company. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Company is currently engaged in manufacturing of Hydraulic products. The operations of the Company are spread globally.

B. Purpose of the valuation and appointing authority

We are given to understand that the objective of the proposed preferential issue is to issue and allot Equity Shares to Yuken Kogyo Company Limited in order to expand the business activities and commence the manufacturing of new products which shall be exported to Yuken Group companies and other customers.

Clause (c) of sub-section (1) of Section 62 of the companies Act 2013 provides that:

"Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to any persons, if it is authorized by a special resolution, whether or not those persons include the person referred to in clause (a) or clause (b), either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a Registered Valuer and subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed.

Further, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 provide for the norms for 'pricing' of such listed company shares on 'preferential allotment basis.

We have been appointed by Yuken India Limited to provide a valuation report for the shares to carry out the preferential allotment referred above.

C. Identity of the Valuer and any other experts involved in the valuation:

The details of the Valuer are as below:

Name of the Valuer	CA Priyanka Srivastava
Professional Membership Number	406327
Professional Membership Body	ICAI
Registered Valuer Enrolment Number	IBBI/RV/06/2020/13653
Contact email of the Registered Valuer	priyankas@audit-sg.com

D. Use of the work of expert:

We have not used the work of any other expert in the valuation assignment.

E. Disclosure of the Valuer's interest or conflict, if any:

We hereby confirm and explicitly declare that we do not have any interest, direct or indirect, in the underlying business being valued.

F. Date of appointment, valuation date and date of the valuation report:

Date of Appointment	26 th May 2023
Valuation date	29 th May 2023
Date of Valuation Report	29 th May 2023

G. Inspections and/ or Investigations Undertaken:

We have not carried out any inspection or independent verification of the information provided. We have relied on the publicly available information, board approved, unaudited financial statements, and other financial and non- financial information made available to us as well as the representation made to us during this engagement.

H. Nature and source of the information used or relied upon:

During our valuation analysis, we have relied on various financial and non-financial information obtained from the company and from various public, financial and industry sources. We have assumed that all information provided by the company has been duly approved by the concerned authority to which it pertains to. Our conclusion of value is dependent on such information being complete and accurate in all material respects.

The principal sources of information used during our valuation include inter alia:

(a) Company specific information

- Discussions with and other information provided by the company.
- Notes and presentations prepared by the company.
- Historical unaudited financial information provided by the company.

(b) Publicly available information

- Stock exchange websites
- Other proprietary data based subscribed to by valuer.

It is important to note that we have relied upon the information provided to us and referred to above. We have not endeavoured to seek an independent confirmation of reliability, accuracy or completeness beyond what is reasonably necessary and prudent in the circumstances. We have not performed any form of audit or verification of the information that we have relied upon. Accordingly, the Valuer accepts no responsibility for any errors in the information on which the valuation conclusions are based.

Information obtained from publicly available sources and used during this valuation engagement is presented in summarized manner in Annexure 1 of this valuation report.

I. Procedures adopted in carrying out valuation and valuation standards followed:

Our analysis of value of the company, Yuken India Limited is based on the Valuation Standards formulated by the Valuation Standards Board of the Institute of Chartered Accountants of India (ICAI) and the prescriptions laid down in Companies (Registered Valuers' and Valuation) Rules 2017, as amended from time to time as well as the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Some of the key procedures in carrying out the valuation engagement are:

(a) Understanding the nature and purpose of the transaction.

(b) Selection of the most appropriate valuation base. Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. ICAI Valuation Standard 102 identifies three Valuation bases: Fair Value, Participant Specific Value and Liquidation Value.

(c) Identifying the premise of value which refers to the conditions and circumstances of how an asset is deployed.

(d) Selection of the Valuation approach and the corresponding valuation methodology. The standard valuation approaches and methodologies are as below:

a. Market Approach

I. Market Price Method

II. Comparable Companies Multiple Method

III. Comparable Transaction Multiple Method

b. Income Approach

I. Discounted Cash Flow (DCF) Method

II. Relief from Royalty (RFR) Method

III. Multi-period Excess Earning Method (MEEM)

IV. With and Without (WWM)

c. Cost Approach



I. Replacement Cost Method

II. Reproduction Cost Method

(e) Performing the valuation engagement and arriving at the valuation conclusion

J. Valuation methodology used:

This valuation report is prepared on a fair value base. 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 valuation date.

Of the valuation methodologies identified in the valuation standards, we have considered the "Market Price" method under the market approach as the most appropriate methodology for the purpose of valuing the company.

Under the Market Price method, a valuer considers the traded price observed over a reasonable period while valuing assets which are traded in the active market. For this purpose, one considers the market where the trading volume of assets is the highest when such asset is traded in more than one active market. The valuation standard also prescribed that the valuer should use average price of the asset over a reasonable period and use a weighted average or volume weighted average to reduce the impact of volatility or any one event on the asset.

It is also important to note that as a listed company, valuation of Yuken India Limited for the purpose of such preferential allotment is governed by the 'pricing guidelines' in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018.

Regulation 164(1) of these regulations provide that:

If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

For this purpose, Regulation 161 defines relevant date to be the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

Further Regulation 164(5) defines "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

K. Restrictions on use of the valuation report, if any:

This valuation report is meant for use for the limited purpose of issue of shares to Yuken Kogyo Company Limited which is the promoter of the Company as on the valuation date or on a date close to the valuation date. It should not be used for any other purpose and by any other persons. Further,

the valuation report is based on the available financial information from the company and publicly available sources which we believe to be accurate. We accept no responsibility for any errors in the information on which the valuation conclusions are based.

L. Major factors that were considered during the valuation:

We have considered all factors that are required under the provision of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013 and the relevant rules and requirements of the valuation standards.

For the purpose of the preferential allotment for which this valuation report is issued, we are informed by the company Yuken India Limited that the relevant date is 18th May 2023.

Further, the Equity shares of the Company are actively traded in National Stock Exchange (NSE). We have considered NSE as the 'most active market' for shares of Yuken India Limited; accordingly valuation working is based on Volume Weighted Average Price observed on NSE.

M. Conclusion:

Based on the valuation exercise carried out by us in terms of the methodology identified above, our estimate of fair value of share for the company Yuken India Limited is INR 629 per share. A detailed working of the value is presented in Annexure 1 to this report.

N. Caveats, limitations and disclaimers to the extent they explain or elucidate the limitations faced by Valuer:

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that financial information properly reflects the business conditions and operating results for the respective periods in accordance with Generally Accepted Accounting Principles. Information supplied to us has been accepted as correct without any further verification. During performance of this valuation engagement, we have not audited, reviewed, or complied with the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information in this report.
4. Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcation or other irregularities, should any exist.
5. The financial information of the subject company is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for other purposes. Because of the limited purpose of the information presented, it may be incomplete and contain departure from generally accepted accounting principles. We have not audited, reviewed or complied with this information and express no assurance on it as a part of this report.
6. Possession of this report, or a copy thereof, does not carry with it the right to publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report

without the written consent of the valuer. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purpose as noted herein.

7. The report and conclusion of value are not intended by the author and should not be constructed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of the valuer, based on information furnished to them by the client and other sources.

8. This valuation reflects facts and conditions existing or reasonably foreseeable at the valuation date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.

9. The valuer, by reason of this valuation, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

10. No change of any items in this valuation/conclusion report shall be made by anyone other than the valuer, and we shall have no responsibility for any such unauthorized change.

Priyanka Srivastava

Registered Valuer (Securities and Financial Assets)

IBBI Registration No.: IBBI/RV/06/2020/13653

Date: 29th May 2023

Place: Bangalore

UDIN: 23406327BGZVTC4345

Priyanka



Annexure 1

Valuation Working as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on January 14, 2022]

Market Exchange Data used for Historical price data : National Stock Exchange

Relevant Date: 18th May 2023

Date	OPEN	HIGH	LOW	PREV. CLOSE	LTP	CLOSE	VWAP	VOLUME	VALUE
17-May-23	612.55	623.9	596.95	615.1	607	606.6	610.5	9,004	54,96,942.00
16-May-23	617.05	624.9	610.1	624.3	615.2	615.05	618.02	5,614	34,69,564.28
15-May-23	621.9	640	615.1	620.9	625	624.25	628.27	22,461	1,41,11,572.47
12-May-23	629	667.05	615	630.2	619.4	620.9	647.61	1,08,560	7,03,04,541.60
11-May-23	650	652.8	626.05	647.3	633	630.2	634.17	28,360	1,79,85,061.20
10-May-23	619.5	657	615	611.9	647.8	647.25	632.16	54,102	3,42,01,120.32
09-May-23	620	620	610	614.9	610.1	611.9	614.29	12,390	76,11,053.10
08-May-23	620	625	598.05	601.9	619	614.85	615.33	24,346	1,49,80,824.18
05-May-23	569	607.9	565.55	566.3	599.95	601.85	591.01	36,736	2,17,11,343.36
04-May-23	564.75	567	562.35	558.8	566.9	566.3	565.9	6,693	37,87,568.70
03-May-23	561.45	565	552.9	553.2	558	558.8	558.12	4,406	24,59,076.72
02-May-23	540	557.9	540	545.9	556	553.2	554.08	6,387	35,38,908.96
28-Apr-23	541	556	532.05	539.9	550	545.9	542.13	8,222	44,57,392.86
27-Apr-23	534	542.35	532.6	531.8	540	539.9	539.66	12,232	66,01,121.12
26-Apr-23	530.1	536.95	528	530.1	531	531.8	530.16	7,499	39,75,669.84
25-Apr-23	535.45	537	523	530.2	535.75	530.1	531.73	9,186	48,84,471.78
24-Apr-23	530.55	536.5	530	530.6	530	530.15	532.54	2,499	13,30,817.46
21-Apr-23	526	537.9	526	529.8	530.5	530.6	530.89	5,235	27,79,209.15
20-Apr-23	538.7	541.1	526.3	538.7	529.9	529.75	533.23	3,412	18,19,380.76
19-Apr-23	542.8	542.8	532.05	538.7	538.4	538.7	537.15	1,382	7,42,341.30
18-Apr-23	526.75	544.9	526.75	525.8	538.8	538.7	537.13	5,445	29,24,672.85
17-Apr-23	531.8	536.75	524.05	535.6	526	525.75	528.53	999	5,28,001.47
13-Apr-23	537.2	541.55	531.65	534.9	531.65	535.55	538.02	1,536	8,26,398.72
12-Apr-23	534.4	540	530	540	535	534.85	534.45	3,590	19,18,675.50
11-Apr-23	532.65	540	528.4	532.5	540	539.95	538.64	15,720	84,67,420.80
10-Apr-23	517.7	535	511.25	519	535	532.45	522.24	10,291	53,74,371.84
06-Apr-23	504.1	520	504.05	503.6	519.8	518.95	516.88	34,205	1,76,79,880.40
05-Apr-23	502.25	520	495.9	500	502.05	503.55	512.76	5,179	26,55,584.04
03-Apr-23	495	503	495	501.8	502.8	499.95	499.32	338	1,68,770.16
31-Mar-23	489.75	513.95	480	477.8	504	501.75	494.43	2,348	11,60,921.64
29-Mar-23	480.1	484.9	472.65	478.7	476	477.75	475.82	8,833	42,02,918.06
28-Mar-23	480.05	488.6	471	483.2	471	478.7	482.18	5,448	26,26,916.64
27-Mar-23	492	502	482	497.6	482	483.2	489.99	3,084	15,11,129.16
24-Mar-23	511.75	511.75	493.55	504.2	497.85	497.55	500.31	9,491	47,48,442.21
23-Mar-23	504.5	519.85	499.75	501.1	504.1	504.2	510.75	2,726	13,92,304.50
22-Mar-23	500.3	511.95	497.05	499.4	497.1	501.05	503.78	2,118	10,67,006.04

21-Mar-23	523	523	497	516.1	497	499.4	501.73	2,180	10,93,771.40
20-Mar-23	510.75	522	503.9	510.8	519.1	516.1	510.33	3,015	15,38,644.95
17-Mar-23	496.3	514.95	496.2	501.5	509.9	510.75	506.95	4,390	22,25,510.50
16-Mar-23	495.05	522.05	489.05	511.4	496.95	501.5	505.65	3,532	17,85,955.80
15-Mar-23	504	519.95	504	500.5	504.1	511.35	514.32	3,836	19,72,931.52
14-Mar-23	507.05	510.3	462.1	499.6	503.95	500.5	465.22	1,06,376	4,94,88,242.72
13-Mar-23	523.65	535	490	523.7	492	499.6	503.08	14,519	73,04,218.52
10-Mar-23	526.05	532.95	515	525.1	522.9	523.65	526.48	648	3,41,159.04
09-Mar-23	522.85	544	520.45	530.7	522.05	525.1	536.24	2,376	12,74,106.24
08-Mar-23	529	534.75	522.55	526.5	522.55	530.7	529.83	1,627	8,62,033.41
06-Mar-23	527.95	539.7	523.55	527.3	529	526.5	530.34	5,565	29,51,342.10
03-Mar-23	519.95	529.9	512.1	516.3	526	527.25	523.73	3,862	20,22,645.26
02-Mar-23	536	536.05	509.55	539.7	516.9	516.25	520.44	12,005	62,47,882.20
01-Mar-23	533.55	540	533.2	539.8	539.75	539.7	537.96	1,964	10,56,553.44
28-Feb-23	541.3	546	535.25	539.8	540	539.75	540.05	3,449	18,62,632.45
27-Feb-23	539	540	535	539	539.4	539.75	539.42	2,381	12,84,359.02
24-Feb-23	539.95	540	534.05	538.9	539	539	539.15	1,249	6,73,398.35
23-Feb-23	490	540	490	532.4	539.7	538.9	538.71	1,765	9,50,823.15
22-Feb-23	532.3	540	528.85	539.3	537	532.4	535.48	3,415	18,28,664.20
21-Feb-23	540	540	532.9	538.6	540	539.25	539.35	1,979	10,67,373.65
20-Feb-23	546	546	530.65	538.7	540	538.55	538.47	1,477	7,95,320.19
17-Feb-23	531.15	541	528.85	539.2	540	538.65	538.08	3,214	17,29,389.12
16-Feb-23	511.3	540	511.3	522.3	539.8	539.2	537.3	2,942	15,80,736.60
15-Feb-23	530	533.95	520	534.2	520	522.25	529.9	38,481	2,03,91,081.90
14-Feb-23	542.8	554.5	525.75	540.4	539.85	534.2	534.85	3,074	16,44,128.90
13-Feb-23	555.05	559.95	538.3	559.3	540	540.4	548.14	3,380	18,52,713.20
10-Feb-23	554.85	562.4	553.75	558.3	562	559.3	557.85	1,345	7,50,308.25
09-Feb-23	559.4	560	552.1	559.4	560	558.25	555.52	1,612	8,95,498.24
08-Feb-23	547.85	570	546.25	549.1	553.2	559.4	559.6	8,829	49,40,708.40
07-Feb-23	560	560	545	553.7	546.3	549.1	548.93	2,193	12,03,803.49
06-Feb-23	538	556.45	538	544.3	551.55	553.65	548.99	1,148	6,30,240.52
03-Feb-23	541.5	545.35	535	543.7	545.05	544.25	541.49	2,672	14,46,861.28
02-Feb-23	541.75	551	539.25	544.7	542	543.65	544.23	1,569	8,53,896.87
01-Feb-23	570	570	543	572.1	543.15	544.65	553.51	4,068	22,51,678.68
31-Jan-23	537.65	585	525	540.8	566	572.1	546.06	66,481	3,63,02,614.86
30-Jan-23	537.25	544.75	535	544.3	541.8	540.8	539.53	1,833	9,88,958.49
27-Jan-23	539	555.8	535	537.1	540	544.3	542	9,056	49,08,352.00
25-Jan-23	532.3	539	532.3	538.2	539	537.1	535.04	2,562	13,70,772.48
24-Jan-23	526	547.95	526	537.4	547.95	538.2	535.75	4,161	22,29,255.75
23-Jan-23	536.1	545.55	532.5	540.3	535.4	537.4	538.81	2,200	11,85,382.00
20-Jan-23	531.05	548.8	530	541.8	548.8	540.3	534.17	1,780	9,50,822.60
19-Jan-23	524.75	546.8	524.7	529.7	544.75	541.8	538.06	4,647	25,00,364.82
18-Jan-23	535	535	525	531.1	528	529.65	528.37	1,509	7,97,310.33
17-Jan-23	531.5	534.4	493.65	532	530	531.05	516.31	11,000	56,79,410.00

16-Jan-23	534.75	544.95	531.25	535.4	531.25	532	533.75	2,585	13,79,743.75
13-Jan-23	527.8	538	527.3	533.4	536.15	535.35	531.81	2,316	12,31,671.96
12-Jan-23	539.85	540	531.5	533.5	533.25	533.35	535.66	1,826	9,78,115.16
11-Jan-23	524.95	546.95	523.05	521.5	528	533.45	535.51	12,215	65,41,254.65
10-Jan-23	515	527.7	512.35	514.8	521.3	521.5	521.01	3,206	16,70,358.06
09-Jan-23	539	539	512.2	533.3	514	514.8	521.89	2,504	13,06,812.56
06-Jan-23	530	540.9	525.1	527.1	530.5	533.25	530.26	2,568	13,61,707.68
05-Jan-23	518.05	534.95	514.45	525.7	525.1	527.05	524.25	5,357	28,08,407.25
04-Jan-23	540.5	540.5	522	541.3	527.8	525.7	529.38	2,812	14,88,616.56
03-Jan-23	569	569	531.2	550.9	541.9	541.3	547.48	10,158	55,61,301.84

Volume Traded for 90 Trading Days 8,86,990.00

Value Traded for 90 Trading Days 49,35,41,241.55.00

Volume Traded for 10 Trading Days 3,08,266.00

Value Traded for 10 Trading Days 19,36,59,591.00

Calculation of Fair Value based on Minimum Price for preferential issue as per SEBI Regulations:

A	the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date	556.42
B	the 10 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date	628.22
	Minimum price for preferential issue (<i>Higher of A and B</i>)	629

