

YKM INDUSTRIES LIMITED

Registered Office: 4, Jayalakhshampuram, First Street, Nungambakkam, Chennai, Tamil Nadu, 600034;
Tel No: 044-42113810, 42113820; **Fax No:** 044-28212494; **Email id:** ykmindustrieslimited@gmail.com
CIN: L05001TN1994PLC028263

Recommendation of the Committee of Independent Directors (**IDC**) on the Open Offer to the Public Equity Shareholders of YKM Industries Limited ("**Target Company**" / "**TC**") under regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**SEBI (SAST) Regulations**).

1.	Date of the meeting	June 07, 2018
2.	Name of the Target Company (TC)	YKM Industries Limited
3.	Details of the Offer pertaining to TC	Open Offer for the acquisition of 11,67,374 fully paid up equity shares of ₹ 10/- each, representing 26% of fully paid up equity share capital ("Voting Share Capital") of the Target Company at a price of ₹ 13/- (Rupees Thirteen only) per equity share payable in cash to the Public Equity Shareholders of YKM Industries Limited in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
4.	Name(s) of the acquirer and PAC with the acquirer	1. Mr. Anil Jain (" Acquirer 1 "); 2. Mrs. Dimple Jain (" Acquirer 2 "); 3. Mrs. Ugam Devi Jain (" Acquirer 3 "); 4. Sherisha Technologies Private Limited (" Acquirer 4 "); (Collectively referred as the " Acquirers ") and 5. Mr. Tarachand Jain (" Person Acting in Concert " / " PAC ")
5.	Name of the Manager to the offer	Keynote Corporate Services Limited The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028. Tel: +91-22- 30266000-3; Fax: +91-22- 3026 6088 E-mail: mbd@keynoteindia.net Contact Person: Ms. Pooja Sanghvi Website: www.keynoteindia.net
6.	Members of the Committee of Independent Directors	1. Sri. R Yuvraj (Chairman) 2. Sri. M. Sivachandran 3. Sri. Ashish Dadhichi
7.	IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any	<ul style="list-style-type: none"> • IDC Members are Independent & Non-Executive Directors of the TC • None of the members of IDC hold any equity shares in the TC • None of the members of IDC have any other contract/relationship with TC
8.	Trading in the Equity shares/other securities of the TC by IDC Members	None of the members of IDC have traded in the equity shares/other securities of the TC since their appointment.
9.	IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None of the members of IDC have any relationship with Acquirers & PAC.
10.	Trading in the Equity shares/other securities of the Acquirers & PAC by IDC Members	Not Applicable.
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	Based on the review, IDC Members believe that the Offer is fair and reasonable and in line with the Regulations. However, the shareholders should independently evaluate the Offer and take an informed decision in the said matter.
12.	Summary of reasons for recommendation (IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendations along with written advice of the independent adviser, if any can be seen by the shareholder)	<p>Based on the review of Public Announcement dated April 11, 2018, Detailed Public Statement dated April 17, 2018 and Letter of Offer dated June 01, 2018, the IDC is of opinion that the Offer Price of ₹ 13/- per equity share, offered by the Acquirers & PAC is in line with the Regulation prescribed by SEBI under the Takeover Code and prima facie appears to be justified. The Committee considered the following facts:</p> <ul style="list-style-type: none"> • The Target Company was carrying on the business of Aqua Culture. Since Financial Year 2009-10, the Company has not been carrying on any business. • The Equity Shares of the Company are infrequently traded on BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. • The Book Value of the Equity Shares of the Target Company, as on March 31, 2017 & March 31, 2018, is ₹ 10.23/- & ₹ 10.06/- per equity share. • The Offer Price of ₹ 13.00 (Rupees Thirteen Only) per equity share of ₹ 10/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations. <p>Keeping in view, the above facts, IDC is of the view that the price of this Open Offer is fair and reasonable. However, the shareholders should independently evaluate the Offer and take informed decision in the matter.</p>
13.	Details of Independent Advisors, if any.	There were no independent advisors appointed.
14.	Any other matter(s) to be highlighted	None.

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI (SAST) Regulations.

For and on behalf of the Committee of Independent Directors of
YKM Industries Limited

Place: Chennai
Date: June 08, 2018

Sd/-
R. Yuvraj
Chairman of the IDC

Size 16x25cm