

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (“**LOF**”) is sent to you as a Public Equity Shareholder of YKM Industries Limited (“**Target Company**”/ “**YKM**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the offer. In case you have recently sold equity shares of YKM Industries Limited, please hand over the LOF and the accompanying Form of Acceptance-cum-acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.”

OPEN OFFER(“OFFER”)

BY

MR. ANIL JAIN (“ACQUIRER 1”)

Residential Address: 151, Habibullah Road, T. Nagar, Chennai-600017
Tele. No.: 9884050177, Email: aniljain@refex.co.in

MRS. DIMPLE JAIN (“ACQUIRER 2”)

Residential Address: 151, Habibullah Road, T. Nagar, Chennai-600017
Tele. No.: 9884397804, Email: dimple_jain1979@yahoo.com

MRS. UGAM DEVI JAIN (“ACQUIRER 3”)

Residential Address: 151, Habibullah Road, T. Nagar, Chennai-600017
Tele. No.: 9884050177, Email: aniljain@refex.co.in

SHERISHA TECHNOLOGIES PRIVATE LIMITED (“ACQUIRER 4”)

Registered office: 1/171, old Mahabalipuram road, Thiruporur-603110, Kanchipuram District.
Tele. No.: +91 44 27445295, Email: sherishatech@gmail.com
(Hereinafter collectively referred as the “**Acquirers**”)

ALONG WITH

MR. TARACHAND JAIN (“PERSON ACTING IN CONCERT”)

Residential Address: 151, Habibullah Road, T. Nagar, Chennai-600017
Tele. No.: 9840065116, Email: bombaymetals@refex.co.in.
(Hereinafter referred to as the “**PAC**”)

TO

THE PUBLIC EQUITY SHAREHOLDERS OF YKM INDUSTRIES LIMITED

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

(Hereinafter referred to as the “**Target Company**” or “**YKM**”)

TO ACQUIRE

11,67,374 EQUITY SHARES OF FACE VALUE OF ₹10 /- (INDIAN RUPEES TEN ONLY) EACH, REPRESENTING 26.00% OF TOTAL FULLY PAID UP EQUITY SHARE CAPITAL (“VOTING SHARE CAPITAL”) OF TARGET COMPANY FOR CASH, AT PRICE OF ₹ 13/- (INDIAN RUPEES THIRTEEN ONLY) PER EQUITY SHARE FROM THE ELIGIBLE EQUITY SHAREHOLDERS

Please Note:

1. This Offer is being made pursuant to Regulation 3(1) & 4 read with Regulation 16 (1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (“**SEBI (SAST) Regulations**”).
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge and belief of the Acquirers along with PAC, as on the date of the LOF, there are no statutory or other approvals required to implement the Offer except as stated in paragraph 6.4 appearing on

page no. 23 If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirers along with PAC will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23(1)(a) of SEBI (SAST) Regulations.

5. Where any statutory approval extends to some but not all of the Public Equity Shareholders, the Acquirers along with PAC shall have the option to make payment to such Public Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
6. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirers along with PAC at any time prior to three working days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers along with PAC shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Part 5 (Offer Price and Financial Arrangements) of this LOF; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement (the "DPS") was published; and (iii) simultaneously with making such announcement, inform SEBI, the BSE and the Target Company at its registered office of such revision. Such revised would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.
7. **There has been no competing offer as of the date of this LOF.**
8. A copy of the Public Announcement (the "PA"), DPS and LOF (including the form of acceptance cum acknowledgement) is also available on the website of Securities and Exchange Board of India ("SEBI") (www.sebi.gov.in).
9. All correspondence relating to this Offer, if any, should be addressed to the Registrar to the offer, viz. Cameo Corporate Services Limited

MANAGER TO THE OFFER

REGISTRAR TO THE OFFER

KEYNOTE

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
SEBI Registration No.: INM 000003606
CIN: L67120MH1993PLC072407



Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Chennai – 600 002
Tel: +91-44 - 2846 0390 (5 Lines)
Fax: +91-44 - 2846 0129
E-mail: investor@cameoindia.com
Contact Person: Ms. Sreepriya .K
Website: www.cameoindia.com
SEBI Registration No.: INR000003753
CIN : U67120TN1998PLC041613

The tentative schedule of activities under the Offer is as follows:

Activity	Original Schedule	Revised Schedule
	Day and Date	Day and Date
Issue of Public Announcement (PA)	Wednesday, April 11, 2018	Wednesday, April 11, 2018
Publication of Detailed Public Statement (DPS) in the newspapers	Wednesday, April 18, 2018	Wednesday, April 18, 2018
Last date of filing draft letter of offer with SEBI	Wednesday, April 25, 2018	Wednesday, April 25, 2018
Last date for public announcement for competing offer(s)	Thursday, May 11, 2018	Thursday, May 11, 2018
Last date for receipts of comments from on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, May 18, 2018	Monday, May 28, 2018
Identified Date*	Tuesday, May 22, 2018	Wednesday, May 30, 2018
Date by which Letter of Offer to be dispatched to Public Equity Shareholders	Tuesday, May 29, 2018	Wednesday, June 06, 2018
Last date for upward revising the Offer price and/or the offer size	Thursday, May 31, 2018	Friday, June 08, 2018
Last Date by which the committee of the Independent directors of the Target Company shall give its recommendation	Friday, June 01, 2018	Monday, June 11, 2018
Advertisement of schedule of activities for Open offer, status of statutory and other approvals in newspaper and sending to SEBI, Stock Exchanges and Target Company at its registered office.	Monday, June 04, 2018	Tuesday, June 12, 2018
Date of commencement of Tendering Period (Offer Opening Date)	Tuesday, June 05, 2018	Wednesday, June 13, 2018
Date of Expiry of Tendering Period (Offer Closing Date)	Monday, June 18, 2018	Tuesday, June 26, 2018
Last Date for completion of all requirements including payment of consideration	Monday, July 02, 2018	Tuesday, July 10, 2018
Issue of post offer advertisement	Monday, July 09, 2018	Tuesday, July 17, 2018
Last date for filing of final report with SEBI	Monday, July 09, 2018	Tuesday, July 17, 2018

**The Identified Date is only for the purpose of determining the Public Equity Shareholders as on such date to whom the letter of offer ("Letter of Offer") would be sent. It is clarified that all the Public Equity Shareholders of the Target Company (registered or unregistered, except the Acquirers along with PAC and promoter group shareholders of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Offer.*

RISK FACTORS

A. Risk factors relating to the transaction

1. The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement (“SPA”) dated April 11, 2018 and Supplement Share Purchase Agreement (“SSPA”) dated May 24, 2018. In accordance with SPA, the transaction under the SPA shall be completed upon the fulfillment of conditions precedent and agreed between the Acquirers and Sellers in the SPA.
2. The Offer is subject to receipt of statutory approvals as enumerated in the para 6.4. However, to the best of the knowledge and belief of the Acquirers along with PAC, as on the date of the LOF, there are no statutory or other approvals required to implement the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirers along with PAC will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23 of SEBI (SAST) Regulations.
3. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers along with PAC or the failure of the Acquirers along with PAC to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers along with PAC agreeing to pay interest to the Public Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations.

B. Risk factors relating to the proposed Offer

1. This offer is subject to provisions of SEBI (SAST) Regulations and in cases of any non compliance or delayed compliance with any of the provisions of SEBI (SAST) Regulations, the Acquirers along with PAC shall be unable to act upon the acquisition of equity shares under the Offer.
2. In event that any statutory approval, which may become applicable at a later date is not received or is delayed, or there is any litigation leading to stay on this Offer or related to this Offer by a court of competent jurisdiction, or SEBI or a court or governmental authority of competent jurisdiction directs the Acquirers along with PAC not to proceed with this Offer, this Offer maybe delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders, who’s Equity Shares are accepted in this Offer, maybe delayed.
3. NRIs and OCBs, if any, must obtain all requisite approvals required to tender the shares held by them, in this Offer including without limitation the approval from RBI and submit such approvals along with the documents required to accept this Offer. Further, if holders of the equity shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers along with PAC reserves the right to reject such equity shares tendered in this Offer.
4. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the offer will be accepted.
5. The public equity shareholders who have tendered shares in acceptance of the open offer shall not be entitled to withdraw such acceptance during the tendering period in terms of Regulation 18(9) of SEBI SAST Regulations.
6. The Acquirers along with PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in the LOF, DPS and PA and anyone placing reliance on any other source of information (not released by the Acquirers along with PAC or the Manager to the Offer) would be doing so at his/her or their own risk.
7. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any

jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirers along with PAC or the Manager to the Offer to any new or additional registration requirements.

C. Probable risks involved in associating with the Acquirers & PAC

1. Acquirers along with PAC do not have any experience in managing the similar line of business in which Target Company is engaged.
2. The Target Company has been making losses over the period The Acquirers along with PAC make no assurance with respect to the financial performance of the Target Company.
3. The Acquirers along with PAC or Manager to the Offer does not make any assurance in regard to investment or divestment plan of Acquirers along with PAC in the Target Company
4. The Acquirers along with PAC or Manager to the Offer doesn't provide any assurance in respect of market price of equity shares before, during or after this Offer and expressly disclaim its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not participate in the Offer.
5. SEBI vide its order dated May 18, 2018 has imposed a monetary penalty of ₹ 1.00 Crore against Mr. Anil Jain (Acquirer 1), Promoter & Managing Director of Refex Refrigerants Ltd. (presently Refex Industries Ltd.), against the violation of SEBI (PIT) Regulations, 1992 , SEBI (SAST) Regulations, 1997, and SEBI (PFUTP) Regulations, 2003.

The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirers along with PAC. They are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by any Public Equity Shareholder in the Offer. Public Equity Shareholders of the Target Company are advised to consult their stockbroker, investment consultant or tax advisor, if any, for analyzing and understanding of all the risks associated with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of offer, all references to “Rs.”/“INR”/ “₹” are reference to Indian Rupee(s), the official currency of India.

In this Letter of offer, minor differences, if any in totals and sums of the amounts listed are due to rounding off and/or regrouping.

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DEFINITIONS / ABBREVIATIONS

Particulars	Details/ Definitions
Acquirer 1	Mr. Anil Jain
Acquirer 2	Mrs. Dimple Jain
Acquirer 3	Mrs. Ugam Devi Jain
Acquirer 4	Sherisha Technologies Private Limited (STPL)
Acquirers	Collectively Acquirer 1, Acquirer 2, Acquirer 3 and Acquirer 4
Board/ Board of Directors / BOD	Board of directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time and the (Indian) Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time
DLOF	This Draft Letter of Offer
DP	Depository Participant
DPS	Detailed Public Statement published on April 18, 2018
Eligible Shareholders	All shareholders of the target company other than the Acquirers, persons acting in concert with him and the parties to underlying agreement which triggered open offer including persons deemed to be acting in concert with such parties, irrespective of whether they are shareholders as on identified date or not
EPS	Earnings per share
Equity Share(s)	Fully paid-up Equity Shares of the Target Company, having face value of ₹ 10/- each unless it is specified.
Escrow Bank/Escrow Banker	Kotak Mahindra Bank Limited having its Branch office at Mittal court Nariman Point, Mumbai and Registered office at 2 nd Floor, 27 BKC, Plot No. C-27,G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Identified Date	Wednesday, May 30, 2018, the date falling on the 10 th (tenth) Working Day prior to the commencement of the tendering period, for the purpose of determining the

	names of the shareholders as on such date to whom the Letter of Offer Shall be sent.
Income Tax Act	Income Tax Act, 1961
Letter of Offer/ LOF	The letter of offer in connection with the Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum Acknowledgement
Manager to the Offer	Keynote Corporate Services Limited
NSDL	National Securities Depository Limited
NRI	Non Resident Indian as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
N.A	Not Applicable
Offer or Open Offer	Open Offer for acquisition of 11,67,374 fully paid up Equity Shares representing 26% of the fully Paid Up Equity Share Capital ("Voting Share Capital") of the Target Company at a price of ₹ 13/- (Rupees Thirteen only) per fully paid-up Equity Share payable in Cash.
Offer Price	₹13/- (Rupees Thirteen only) per fully paid-up Equity Share payable in cash
Offer Size	11,67,374 Equity shares of face value of ₹10 /-(Indian Rupees Ten only) each ("Equity shares) aggregating to ₹ 1,51,75,862/-
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
PA	Public Announcement dated April 11, 2018
PAC/ Person Acting in Concert	Mr. Tarachand Jain
PAN	Permanent Account Number
PAT	Profit After Tax
Promoter Group	The promoter group of YKM Industries Limited comprises of Y Meera Reddy, YMR Prasoon and A H Kishore
Public Equity Shareholders	All public equity shareholders of the Target Company other than the Promoter Group, Acquirers, PAC and parties to the Share Purchase Agreement
RBI	The Reserve Bank of India
Registrar to the Offer	Cameo Corporate Services Limited
₹	Indian Rupees
RTGS	Real Time Gross Settlement
Sale Shares	28,76,880 fully paid up equity shares of face value ₹ 10/- each of the target company representing 64.07% of the subscribed and fully paid up equity share capital and voting capital of the target Company at a price of ₹ 10/- (Rupee Ten Only) per Equity Share
SEBI	The Securities and Exchange Board of India
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
SEBI Act	Securities and Exchange Board of India Act, 1992
Sellers	Y Meera Reddy, YMR Prasoon and A H Kishore
Share Purchase Agreement ("SPA")	Share Purchase Agreement dated April 11, 2018 executed between, the Acquirers and Sellers
Supplement Share Purchase Agreement ("SSPA")	Supplement Share Purchase Agreement dated May 24, 2018, executed between, the Acquirers and Sellers
Stock Exchange	BSE Limited.
Target Company or YKM	YKM Industries Limited
Tendering Period	Wednesday, June 13, 2018 to Tuesday, June 26, 2018 both days inclusive based on tentative schedule of activities.
Working Day(s)	Shall have the same meaning given in the SEBI (SAST) Regulations

1. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF YKM INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S) OR PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) AND PAC DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 25, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2. DETAILS OF THE OFFER

2.1 Background of the offer

- 2.1.1 This Offer is a mandatory offer under Regulation 3(1) & 4 of SEBI (SAST) Regulations, pursuant to substantial acquisition of shares and voting rights accompanied with change in control and management of the Target Company. This offer has been triggered upon the execution of the Share Purchase Agreement dated April 11, 2018 (“SPA”) between the Acquirers and Sellers as mentioned therein. Acquirers & PAC are making this offer to the Public Equity Shareholders of the Target Company to acquire 11,67,374 (“Offer Size”) fully paid up equity shares, 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.
- 2.1.2 A SPA along with Supplement Share Purchase Agreement dated May 24, 2018 (“SSPA”) has been entered between Acquirers and Sellers for acquiring the entire shareholding i.e. 28,76,880 fully paid up equity shares of face value ₹ 10/- each of the target company representing 64.07% of the subscribed and fully paid up equity share capital and voting capital of the target Company at a price of ₹ 10/- (Rupee Ten Only) per Equity Share aggregating to ₹2,87,68,800/- (Rupees Two Crores Eight Seven Lakhs Sixty Eight Thousand and Eight Hundred only).The offer is made pursuant to substantial acquisition of Shares and Voting rights accompanied with change in control and management of the Target Company.
- 2.1.3 As on date the Acquirers & PAC do not hold any equity shares in the Target Company.

2.1.4 Salient features of Share Purchase Agreement and Supplement Share Purchase Agreement:

The details of the Sellers are as under:

Sl. No.	Name of the Seller	Shareholding/ Voting Rights in the Target Company prior to the transaction	
		No. of equity shares (Sale Shares)	% of fully paid up equity share capital
1.	Y Meera Reddy	24,16,460	53.82
2.	YMR Prasoon	3,31,610	7.39
3.	A.H.Kishore	1,28,180	2.87
	Total	2,876,880	64.07

➤ The salient features of Share Purchase Agreement are as under:

1. Sellers hereby declares that they have full authority and power to sell the 'Shares' and the said shares are free from all encumbrances, charges, liens and are not subject to any pre-emptive rights. The sellers had not entered into any agreement for sale in respect of sale of shares with any other person nor there are outstanding warrants or options in favor of any persons entitling such persons to acquire shares in the company. None of the sellers had acquired any shares in the company during preceding 12 months prior to the SPA agreement.
2. The sellers have agreed to sell to the Acquirers and the Acquirers have agreed to purchase the entire shareholding i.e. 28,76,880 fully paid up equity shares of face value ₹10/- each of the company representing 64.07% of the subscribed equity share capital and voting capital of the Company.
3. The Purchase price for the Sale Shares shall be ₹10/- (Rupees Ten Only) per share and the total consideration amount shall be ₹2,87,68,800/- (Rupees Two Crores Eight Seven Lakhs Sixty Eight Thousand and Eight Hundred only).
4. The Acquirers and sellers (parties) have agreed that the seller shall transfer 5,00,000 number of shares in the escrow account and the Acquirers (purchaser) will deposit an amount of ₹50,00,000/- (Rupees Fifty Lakhs only) of the total consideration, in the escrow account in 21 working days from the date of DPS subject to and upon receipt of the approval from SEBI under SEBI Act, and other relevant regulation and rules prescribed by the government or other regulatory bodies and stock exchange, whichever is later. The balance consideration shall be paid by the Acquirers to the seller into their designated bank accounts through electronic fund transfer simultaneously with the release of earnest money deposit to sellers. The particulars of such banks shall be furnished to the Acquirers not less than 24 hours prior to the time of release of such amount. The Parties shall appoint an escrow agent to hold the aforesaid amount and enter into suitable escrow agreement in connection with the release of earnest money deposits towards the purposes stated in the SPA.
(The Acquirers and the Sellers vide the SSPA have agreed to waive of the above mentioned clause. Further, the other clauses having reference to the above mentioned clause have also been amended).
5. The Acquirers Shall, on date of closing, cause the company to pass the necessary resolution at a general meeting of the shareholders to change the name of the company subject to necessary statutory approvals and cause the company to shift the registered office from the present location to another premises identified by the Acquirers by passing the necessary resolution of board of directors in relation thereto, and file E-Forms with Ministry of Corporate Affairs along with all relevant resolution, effecting the change of name and location of registered office of the company.
6. The Parties hereby agree that Acquirers subject to the compliance of various statutory laws/obligation if any, shall be entitled to appoint its representative on the board of directors of the target company after expiry of 15 working days from the date of detailed public statement on deposit of 100% of the consideration payable to public shareholder, assuming full acceptance, in the Escrow Account in terms of provision of 24(1) read with Regulation 17 of Takeover Regulation.

7. In case of non-compliance of any of the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, by either of the parties, this Share Purchase Agreement shall not be acted upon by Sellers and/or Acquires.
- 2.1.5 This offer is not made pursuant to any indirect acquisition or arrangement and is not a conditional offer.
- 2.1.6 This offer is not result of a global acquisition or an open market purchase.
- 2.1.7 As on date of this LOF, the Acquirers & PAC confirm that they are not prohibited by SEBI from dealing in securities in terms of direction issued u/s 11B of SEBI act or under any regulations made under SEBI Act.
- 2.1.8 Mr. Tarachand Jain is the person acting as person acting in concert (PAC) with the Acquirers for the purpose of this Open offer in terms of Regulation 2(1) (q) of the SEBI (SAST) Regulations, 2011.
- 2.1.9 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company shall constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Equity Shareholders and such recommendations shall be published at least two (2) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed offer

- 2.2.1 The Public Announcement to the Public Equity Shareholders of Target Company was issued on April 11, 2018 through the Stock Exchange by the Manager to the Offer for and on behalf of the Acquirers. A copy of the PA was filed with Stock Exchange, SEBI and at the registered office of Target Company on April 11, 2018. PA was made as per Regulation 3(1) and 4 and other applicable regulations of SEBI (SAST) Regulations.
- 2.2.2 Subsequently, in accordance with Regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulation, the Detailed Public Statement was published on April 18, 2018 in the following publications

Publications	Language	Edition(s)
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition
Makkal Kural	Tamil	Chennai Edition

- 2.2.3 A copy of the PA and DPS would be available on the website of SEBI (www.sebi.gov.in).
- 2.2.4 The Acquirers along with PAC are making this Open Offer in terms of SEBI(SAST) Regulation, 2011 to the shareholders of Target Company (other than the Parties to the SPA & PAC) to acquire 11,67,374 (“offer size”) equity shares of face value of ₹10 /-(Indian rupees ten only) each, constituting 26% of total fully paid up equity share capital (“voting share capital”) of the target company at offer price of ₹13/- (Rupees Thirteen Only) per equity share aggregating to total consideration of ₹1,51,75,862/- (Rupees One Crore Fifty One Lakhs Seventy Five Thousand Eight Hundred and Sixty Two only), payable in cash and subject to the terms and conditions set out in the PA, the DPS and this Letter of offer.
- 2.2.5 There are no partly paid up equity shares in the Target Company.
- 2.2.6 There is no differential pricing in this Offer.
- 2.2.7 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations

- 2.2.8 The Offer is not conditional on any minimum level of acceptance by the Public Equity Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 2.2.9 The Acquirers & PAC have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. April 11, 2018) and the date of this LOF.
- 2.2.10 The equity shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The equity shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 2.2.11 There are no conditions in the underlying agreement i.e. SPA & SSPA meeting of which are outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.
- 2.2.12 In the event that the valid shares tendered in the Open Offer by the shareholders are more than the offer size, the acquisition of valid shares from the shareholders is done on proportionate basis
- 2.2.13 The Acquirers have appointed Keynote Corporate Services Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations.
- 2.2.14 The Manager to the Offer, Keynote Corporate Services Limited, does not hold any Equity Shares in the Target Company as on the date of this Letter of Offer and is not related to the Acquirers or PAC and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

2.3 Object of the acquisition

- 2.3.1 The Acquirers & PAC intend to acquire substantial acquisition of Shares/Voting Rights accompanied with change in management and control of the Target Company. The Target Company has envisaged to diversify into Real Estate & development of Infrastructure Projects. Acquirers along with PAC through this proposed acquisition of YKM, proposes to take this forward & start Real Estate & Construction activities in YKM.
- 2.3.2 Pursuant to the acquisition of shares under the Offer, the Acquirers & PAC currently does not have any intention to alienate, whether by way of sale, lease, encumber or otherwise, any material assets of the Target Company, other than in ordinary course of business, for a period of two years following completion of the offer. The Acquirers & PAC further undertake that in the event of such alienation of assets of Target Company, such alienation shall not be undertaken without a special resolution passed by shareholders of the Target Company, by way of postal ballot, wherein the notice for such postal ballot shall inter alia contain reasons as to why such alienation is necessary.

3. BACKGROUND OF THE ACQUIRERS & PAC

ACQUIRERS

3.1 Mr. Anil Jain (“Acquirer 1”)

- 3.1.1 Mr. Anil Jain, son of Tarachand Jain, aged 41, is residing at 151, Habibullah Road, T. Nagar, Chennai-600017. Telephone No. 9884050177, Email id: aniljain@refex.co.in.

- 3.1.2 His permanent account number is AADPA8582A
- 3.1.3 He is a Commerce Graduate and has 24 years of experience in Renewable energy and Refrigerant gas business sector.
- 3.1.4 The net worth of Mr. Anil Jain is ₹ 64.81 crores as on December 31, 2017 as certified vide certificate dated March 07, 2018 issued by Mr. Vinod R (Membership No.: 214143) having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010; Mob. No.: 9841727642, Email id.: cbevin@gmail.com.
- 3.1.5 Mr. Anil Jain is Managing Director in Refex Industries Limited which is listed on BSE with Scrip code 532884 and on NSE with symbol REFEX.
- 3.1.6 He is not a whole time director on the board of directors of any other company.
- 3.1.7 Mr. Anil Jain is a director in Laundry Project India Private Limited, I Love Diamonds Private Limited, Refex Energy Limited, Sun Telematics Private Limited, Jain International Trade Organization, Refex Industries Limited, Best and Crompton Pumps Private Limited, Jito Incubation and Innovation Foundation, AJ Incubation Forum and Sherisha Technologies Private Limited (“Acquirer 4”). He is also a promoter in Refex Industries Limited and Refex Energy Limited.
- 3.1.8 As on date of LOF, Mr. Anil Jain does not hold any share in the Target Company. However, pursuant to SPA & SSPA he proposes to acquire 6,31,930 equity shares of Face Value ₹ 10/- each representing 14.07% of the Equity Share Capital of the Target Company at ₹ 10/- per Equity share, thereby acquiring control over the Target Company..

3.2 Mrs. Dimple Jain (“Acquirer 2”)

- 3.2.1 Mrs. Dimple Jain, wife of Mr. Anil Jain, aged 38, is residing at 151, Habibullah Road, T. Nagar, Chennai-600017. Telephone No. 9884397804, Email id: dimple_jain1979@yahoo.com.
- 3.2.2 Her permanent account number is AEIPD3757K
- 3.2.3 She is a Commerce Graduate and has 10 years of experience in Stainless Steel Sector and in Art Galleries.
- 3.2.4 The net worth of Mrs. Dimple Jain is ₹11.22 Crores as on December 31, 2017 as certified vide certificate dated March 07, 2018 issued by Mr. Vinod R (Membership No.: 214143) having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010; Mob. No.: 9841727642, Email id.: cbevin@gmail.com.
- 3.2.5 As on the date of this LOF, Mrs. Dimple Jain does not hold any position on the board of directors of any listed Company.
- 3.2.6 She is not a whole time director on the board of directors of any company.
- 3.2.7 Mrs. Dimple Jain is a director in Pavitra Mall Management Company Private Limited, Refex Wind Power Private Limited, Refex Solar Power Private Limited, Refex Hydro Power Private Limited, Vituza Solar Energy Limited, Sourashakthi Energy Private Limited, Athenese Energy Private Limited, Nisa Renew Energy Private Limited, Flaunt Solar Energy Private Limited, Sherisha Agro Private Limited, Pavagada Farms Private Limited, Pavagada Processing Industries Private Limited, Sherisha Farms Private Limited, STPL Horticulture Private Limited, Sherisha Agriculture Private Limited and Sherisha Technologies Private Limited (“Acquirer 4”).

3.2.8 As on date of LOF, Mrs. Dimple Jain does not hold any share in the Target Company. However, pursuant to SPA & SSPA she proposes to acquire 2,24,495 equity shares of Face Value ₹10/- each representing 5.00% of the Equity Share Capital of the Target Company at ₹10/- per Equity share, thereby acquiring control over the Target Company.

3.3 Mrs. Ugam Devi Jain (“Acquirer 3”)

3.3.1 Mrs. Ugam Devi Jain, wife of Mr. Tarachand Jain, aged 61, is residing at 151, Habibullah Road, T. Nagar, Chennai-600017. Telephone No. 9884050177, Email id: aniljain@refex.co.in.

3.3.2 Her permanent account number is AAHPJ0840J

3.3.3 She is a partner at Bombay Metals.

3.3.4 The net worth of Mrs. Ugam Devi Jain is ₹5.30 Crores as on December 31, 2017 as certified vide certificate dated March 07, 2018 issued by Mr. Vinod R (Membership No.: 214143) having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010; Mob. No.: 9841727642, Email id.: cbevin@gmail.com.

3.3.5 As on the date of this LOF, Mrs. Ugam Devi Jain does not hold any position(s) on the board of directors of any listed company.

3.3.6 She is not a whole time director on the board of directors of any company.

3.3.7 As on date of LOF, Mrs. Ugam Devi Jain does not hold any share in the Target Company. However, pursuant to SPA & SSPA she proposes to acquire 2,24,495 equity shares of Face Value ₹10/- each representing 5.00% of the Equity Share Capital of the Target Company at ₹10/- per Equity share, thereby acquiring control over the Target Company.

3.4 Sherisha Technologies Private Limited (STPL) (“Acquirer 4”)

3.4.1 STPL was originally incorporated as Ranka & Sanghavi Housing Private Limited on October 1, 2002 under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu as a Private Limited Company. The company later changed its name to Sherisha Technologies Private Limited and obtained a fresh Certificate of Incorporation on 17th July, 2003. The Registration Number of STPL is U74110TN2002PTC049676 and its permanent account number is AAHCS6471P

3.4.2 STPL is presently engaged in trading of all kinds of solar accessories and solar equipments and Consultancy and advisory services on transmission line of electricity. STPL also imports, exports, manufactures and assembles air-conditioners (ACs) and its spare parts and equipments.

3.4.3 The registered office of STPL is situated at 1/171, old Mahabalipuram road, Thiruporur-603110, Kanchipuram District.

3.4.4 STPL is promoted by Mr. Anil Jain (Acquirer 1) and Mr. Tarachand Jain and the entire shareholding is held by the Promoters.

3.4.5 The Category wise shareholding pattern of STPL as on date of LOF is tabled below:

Sr. No.	Shareholder's Category	No. of Shares held	% of Shares held
1.	Promoters -		
	Anil Jain	1,52,867	51.00
	Tarachand Jain	1,46,873	49.00
	Total Promoter holding	2,99,740	100.00
2.	FII/ Mutual-Funds/ FIs/ Banks	0	0.00
3.	Public	0	0.00
	TOTAL	2,99,740	100.00

3.4.6 The details of the board of directors of STPL as on date of LOF is tabled below:

Name	D.I.N	Experience	Area of Experience	Qualifications	Date of Appointment/ Re- Appointment
Mr. Anil Jain	00181960	24	Renewable energy and Refrigerant gas business sector	B.com	28-10-2015
Mrs. Dimple Jain	07108336	10	Art Galleries and Stainless Steel Sector	B.com	20-03-2015

3.4.7 As of the date of this LOF, there are no directors/partners representing STPL on the Board of Directors of the Target Company.

3.4.8 The brief audited financials of STPL for the last 3 years and provisional financial statement provided by the Statutory Auditor, for the eight months period ended November 30, 2017 are as follow -

Profit and Loss statement:

₹ In Lakhs

Particulars	8 months period ended on	Financial Year Ended on		
	November 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Income from operations	2691.23	2539.13	837.03	1070.18
Change in Inventories	(97.15)	97.15	-	-
Other Income	21.38	46.34	53.74	48.28
Total Income	2615.45	2682.62	890.77	1118.46
Total Expenditure	2410.98	2419.15	853.33	1067.44
Profit Before Depreciation, Interest and Tax	204.48	263.47	37.44	51.02
Depreciation	8.50	11.64	11.07	10.08
Interest	119.35	168.59	2.38	15.30
Profit Before Tax	76.63	83.25	23.99	25.64
Tax Expense	-	30.75	11.25	10.00
Deferred Tax	-	(1.48)	(1.71)	-
Profit After Tax	76.63	53.98	14.45	15.64

Balance sheet statement

₹ In Lakhs

Particulars	8 months period ended on	Financial Year ended on		
	November 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Sources of funds				
Paid up share capital	29.97	29.97	29.97	29.97
Reserves and Surplus	584.13	507.52	453.53	439.08
Networth	614.11	537.49	483.5	469.05
Secured loans		7.64	9.75	-
Unsecured loans	3170.62	2542.61	1740.54	-
Long-term provisions		-	3.51	7.83
Total	3784.73	3087.74	2237.3	476.88
Uses of funds				
Net fixed assets	47.42	27.35	37.69	33.49
Investments	2161.51	1966.66	1966.66	157.47
Deferred Tax Asset(net)	3.19	3.19	1.70	-
Long Term Loans and Advances	4365.70	2392.61	1415.89	1552.18
Net current assets	(2793.09)	(1302.07)	(1184.64)	(1266.25)
Total	3784.73	3087.74	2237.3	476.88

Other Financial data:

Other Financial Data	8 months period ended on	Financial Year Ended on		
	November 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Earnings Per Share (₹)	25.56	18.01	4.82	5.22

- 3.4.8 There are no contingent liabilities of STPL as of November 30, 2017. Subsequently in March 2018, the company has received a notice from Income tax department for an outstanding demand under section 220(2) for ₹3,58,467 for the Accounting year 2009-10
- 3.4.9 As on the date of this LOF, Equity shares of STPL are not listed on any stock exchange.
- 3.4.10 As on the date of this LOF, STPL nor its directors and key employees have any interest in the Target Company. However, pursuant to SPA & SSPA, STPL proposes to acquire 17,95,960 equity shares of Face Value ₹10/- each representing 40.00% of the Equity Share Capital of the Target Company at ₹10/- per Equity Share, thereby acquiring control over the Target Company

PERSON ACTING IN CONCERT (“PAC”)**3.5 Mr. Tarachand Jain**

- 3.5.1 Mr. Tarachand Jain, aged 70, is residing at 151, Habibullah Road, T. Nagar, Chennai-600017. Telephone No. 9840065116, Email id: bombaymetals@refex.co.in.

- 3.5.2 His permanent account number is AAFPJ8044C
- 3.5.3 He has completed his Higher Secondary Education and has 40 years of experience in Stainless Steel Sector.
- 3.5.4 The net worth of Mr. Tarachand Jain is ₹ 21.22 crores as on March 31, 2018 as certified vide certificate dated May 19, 2018 issued by Mr. Vinod R (Membership No.: 214143) having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010; Mob. No.: 9841727642, Email id.: cbevin@gmail.com.
- 3.5.5 As on the date of this LOF, Mr. Tarachand Jain does not hold any position(s) on the board of directors of any listed company.
- 3.5.6 He is not a whole time director on the board of directors of any company.
- 3.5.7 Mr. Tarachand Jain is a director in Refex Hydro Power Private Limited, Refex Solar Power Private Limited, Refex Wind Power Private Limited, Vituza Solar Energy Limited. He is also a promoter in Refex Industries Limited and Sherisha Technologies Private Limited (Acquirer 4).

3.6 Other Details of the Acquirers & PAC.

- 3.6.1 Acquirer 1(Mr. Anil Jain) is the son of Acquirer 3(Mrs. Ugam Devi Jain) and Acquirer 1(Mr. Anil Jain) is the husband of Acquirer 2(Mrs. Dimple Jain).
- 3.6.2 Acquirer 1 is a Director and Promoter of Acquirer 4 and Acquirer 2 is a Director in Acquirer 4.
- 3.6.3 PAC (Mr. Tarachand Jain) is the father of Acquirer 1(Mr. Anil Jain), Husband of Acquirer 3 (Mrs. Ugam Devi Jain), Father-in-Law of Acquirer 2(Mrs. Dimple Jain) and Promoter of Acquirer 4 (STPL)
- 3.6.4 The Acquirers & PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulations made under the SEBI Act.
- 3.6.5 The Acquirers & PAC are not part of any group.
- 3.6.6 As on the date of this LOF, Acquirers & PAC do not hold any Equity Shares of the Target Company.

4 BACKGROUND OF THE TARGET COMPANY

- 4.1 Equity Share Capital structure of the Target Company

Paid up Equity Shares	No. of Shares/ voting rights	% of shares/voting rights
Fully paid up equity shares	4,489,900	100.00
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	4,489,900	100.00
Total voting rights	4,489,900	100.00

- 4.2 The Authorized Share Capital of the Target Company is ₹7,00,00,000 comprising of 70,00,000 Equity shares of ₹10 each. The issued and subscribed Equity Share Capital of the Target Company is ₹4,74,49,500 comprising of 47,44,950 Equity shares of ₹10 each. The paid-up Equity Share Capital of the Target Company is ₹4,48,99,000 comprising of 44,89,900 Equity shares of ₹10 each fully paid-up.

- 4.3 The Target Company was carrying on the business of Aqua Culture, including exporting of various types of fishes. It has proposed to diversify & carry on the business of development of infrastructure projects. Since Financial Year 2009-10, the Company has not been carrying on any business.
- 4.4 The Trading in the equity shares of the company was suspended on BSE w.e.f 20.09.2006 due to non-compliance of Clause 15/16, Clause 35, Clause 41, Clause 47 and Clause 54 of listing agreement. During the year 2011, Company complied with all the clauses of listing agreement and the suspension has been revoked by BSE vide the notice no. 20110930-21 dated September 30, 2011.
- 4.5 As on the date of this LOF, the Target Company is fully compliant with the listing requirements and the entire fully paid up equity share capital of the Target Company is listed on BSE.
- 4.6 As on the date of this LOF, the Target Company does not have any partly paid up Equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity shares at a later stage.
- 4.7 The details of Board of Directors of the Target Company are provided below:

Name of Directors	Date of Appointment	Designation
Sri. Yerabhabha Meera Reddy	30.09.2004	Managing director
Smt. Y. M. R. Prasoon	29.01.1998	Director
Sri. N. G. Anbumani	01.01.2010	Director
Sri. D. Loganathan	12.08.2010	Director
Sri. R Yuvraj	24.04.2018	Independent Director
Sri. M. Sivachandran	29.05.2018	Independent Director
Sri. Ashish Dadhichi	29.05.2018	Independent Director

- 4.8 The Target Company has not been involved in any merger/de-merger or spin off in last three years.
- 4.9 YKM INDUSTRIES LIMITED (“YKM” or “Target Company”) was incorporated on August 4, 1994 as “Scanet Acqua Exports Limited” at Tamil Nadu as a public Limited Company under the Companies Act, 1956. The name of the Company was changed from “Scanet Acqua Exports Limited” to “Scanet Exports Limited” and further to “Verticle 7.Com Limited”. The name of the company was again changed from “Verticle 7.Com Limited” to “Scanet Exports Limited” and subsequently to “YKM Industries Limited” and fresh certificate of incorporation consequent to change of name was obtained on September 11, 2007 from Registrar of Companies, Tamil Nadu, Chennai
- 4.10 The registered office of YKM Industries limited is situated at 4, Jayalakshmpuram, First Street, Nungambakkam, Chennai, Tamil Nadu, 600034
- 4.11 As on date of this LOF, there is no subsidiary or holding company of the Target Company
- 4.12 The financial information of YKM Industries limited based on the standalone audited financial results for the financial years (FY) ended March 31, 2018, March 31, 2017 and March 31, 2016 are as follows:

Profit and Loss statement

₹ In Lakhs

Particulars	Financial Year Ended on March 31,		
	2018	2017	2016
Total Income	-	-	-
Total Expenditure	9.67	5.73	5.61
Profit Before Depreciation, Interest and Tax	(9.67)	(5.73)	(5.61)
Profit Before Tax	(9.67)	(5.73)	(5.61)
Tax Expense	-	-	-
Deferred Tax	2.18	0.81	1.44
Profit After Tax	(7.49)	(4.92)	(4.16)

Balance sheet statement:

₹ In Lakhs

Particulars	Financial Year ended on		
	March 31, 2018	March 31, 2017	March 31, 2016
Sources of funds			
Share capital*	474.50	474.50	474.50
Reserves and Surplus	(22.75)	(15.25)	(10.34)
Networth	451.74	459.25	464.16
Secured loans	-	-	-
Unsecured loans	-	-	-
Long-term provisions	-	-	-
Total	451.74	459.25	464.16
Uses of funds			
Net fixed assets	-	-	-
Investments	1.00	1.00	1.00
Deferred Tax Asset(net)	17.73	15.55	14.73
Long Term Loans and Advances	0.13	0.13	0.13
Net current assets	432.88	442.56	448.29
Total	451.74	459.25	464.16

*The paid-up Equity Share Capital of the Target Company is ₹4,48,99,000 comprising of 44,89,900 Equity shares of ₹10 each fully paid-up. The difference is due to the forfeiture of shares (25,50,500)

The other financial data is as follows:

Other Financial Data	For the year ended March 31,		
	2018	2017	2016
Dividend (%)	-	-	-
Earnings Per Share (₹)	(0.17)	(0.11)	(0.09)
Return on Net worth (%)	(1.66)	(1.07)	(0.90)
Book Value Per Share (₹)	10.06	10.23	10.34

Net worth = Equity Share Capital + Reserves and Surplus - Misc. Expenses

EPS = Profit after Tax / No. of shares outstanding

Return on Net Worth = (Profit after Tax / Net Worth)*100

Book Value per Share = Net Worth / No. of shares outstanding

4.13 Pre and Post Shareholding of Target Company is as under:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer*		Shares /voting rights agreed to be acquired/ (sold) which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(D)=(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any								
Y Meera Reddy	24,16,460	53.82	(24,16,460)	(53.82)	N.A.	N.A.	Nil	N.A.
YMR Prasoona	3,31,610	7.39	(3,31,610)	(7.39)	N.A.	N.A.	Nil	N.A.
A.H.Kishore	1,28,810	2.87	(1,28,810)	(2.87)	N.A.	N.A.	Nil	N.A.
b. Promoters other than (a) above	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total 1(a+b)	28,76,880	64.07	(28,76,880)	(64.07)	N.A	N.A	Nil	N.A
(2) Acquirers & PAC								
a. Acquirers								
Mr. Anil Jain	Nil	N.A	6,31,930	14.07	9,42,879	21.00	15,74,809	35.07
Mrs. Dimple Jain	Nil	N.A	2,24,495	5.00	Nil	N.A	2,24,495	5.00
Mrs. Ugam Devi	Nil	N.A	2,24,495	5.00	Nil	N.A	2,24,495	5.00
Sherisha Technologies Private Limited	Nil	N.A	17,95,960	40.00	2,24,495	5.00	20,20,455	45.00
b. PAC								
Mr. Tarachand Jain	Nil	N.A	Nil	N.A	Nil	N.A	Nil	N.A
Total (2)(a + b)	Nil	N.A	28,76,880	64.07	11,67,374	26.00	40,44,254	90.07
(3) Parties to agreement other than(1) (a) & (2) above	Nil	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(4) Public (other than parties to agreement, Acquirers & PACs)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	N.A	N.A	N.A	(11,67,374)	(26.00)	4,45,646	9.93
b.Others	16,13,020	35.93	N.A	N.A				
Total (4)(a+b)	16,13,020	35.93	N.A	N.A	(11,67,374)	(26.00)	4,45,646	9.93
GRAND TOTAL (1+2+3+4)	44,89,900	100.00	Nil	N.A	Nil	N.A	44,89,900	100.00

* As on date of letter of offer (Source:BSE)

Note: 1) Pursuant to the SPA & SSPA the Acquirers have agreed to acquire 28,76,880 equity shares of face value ₹10/- each of the Target Company constituting 64.07% of the paid up equity share capital/voting share capital from Sellers at a price of ₹ 10/- (Rupees Ten Only) each, total consideration being of ₹2,87,68,800/- (Rupees Two Crores Eight Seven Lakhs Sixty Eight Thousand and Eight Hundred only)

2) As on March 31, 2018, there are 422 Shareholders under the public category.

3) Assuming full acceptance, the post offer holding of the Acquirers & PAC would be 90.07% and the public shareholding would be 9.93%. Pursuant to Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rules 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, (the "SCRR") as amended wherein a Listed entity is required to maintain at least 25% public shareholding (the "Minimum Public Shareholding"), as determined in accordance with SCRR, on a continuous basis for listing, the Acquirers & PAC hereby undertakes in terms of Regulation 7 (4) of the SEBI (SAST) Regulations that the public shareholding in the Target Company will be enhanced, in such manner and within the time period specified in the SCRR, such that the Target Company complies with the required Minimum Public Shareholding.

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The equity shares of YKM Industries Limited are listed on BSE (Scrip Code: 531260).

5.1.2 The trading turnover in the Equity Shares of YKM Industries Limited on BSE based on the trading volume during the twelve calendar months prior to month of PA (April 01, 2017 to March 31, 2018) is as given below:

Name of Stock Exchange	Total Number of Equity Shares traded during twelve calendar month prior to month of PA	Total Number of Equity Shares Listed	Trading Turnover (as a % of Total Equity Shares Listed)
BSE	Nil	4,489,900	N.A

5.1.3 The equity shares of YKM Industries Limited are Infrequently traded on BSE within the explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. The Offer Price of ₹13/- per equity share has been determined as per provision of Regulation 8 of the Regulations taking into account following parameters:

(i)	the highest negotiated price per share of the target company for acquisition under the Agreement (SPA) attracting the obligation to make a public announcement of an open offer	:	₹10/- per equity share												
(ii)	the volume-weighted average price paid or payable for acquisitions, whether by the Acquirers or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	:	Not Applicable												
(iii)	the highest price paid or payable for any acquisition, whether by the Acquirers or by any person acting in concert with him, during the twenty six weeks immediately preceding the date of the public announcement	:	Not Applicable												
(iv)	the volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	:	Not Applicable												
(v)	where the shares are not frequently traded, the price determined by the Acquirers along with PAC and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies Financial Information as on March 31, 2017 (Based on statutory auditor certificate) and as of nine months period ended December 31, 2017 (Based on provisional balance sheet)	:	₹13/- per equity share												
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>As on March 31, 2017</th> <th>As on December 31, 2017</th> </tr> </thead> <tbody> <tr> <td>Book Value (per equity share)</td> <td>₹ 10.23/-</td> <td>₹ 10.11</td> </tr> <tr> <td>Return on Networth</td> <td>N.A.*</td> <td>N.A.*</td> </tr> <tr> <td>Trading Multiple</td> <td>N.A.*</td> <td>N.A.*</td> </tr> </tbody> </table>	Particulars	As on March 31, 2017	As on December 31, 2017	Book Value (per equity share)	₹ 10.23/-	₹ 10.11	Return on Networth	N.A.*	N.A.*	Trading Multiple	N.A.*	N.A.*		
Particulars	As on March 31, 2017	As on December 31, 2017													
Book Value (per equity share)	₹ 10.23/-	₹ 10.11													
Return on Networth	N.A.*	N.A.*													
Trading Multiple	N.A.*	N.A.*													
	*The company has made losses for the referred period and hence the same is not applicable														

5.1.4 In view of the above parameters, in the opinion of the Acquirers along with PAC and Manager to the Offer, the Offer Price of ₹13/- per equity share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulation.

- 5.1.5 There has been no corporate action in the Target Company warranting adjustment of relevant price parameters.
- 5.1.6 There has been no revision in the Offer Price or to the size of this Offer as on date.
- 5.1.7 The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirers along with PAC at any time prior to three working days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers along with PAC shall make corresponding increase to the escrow amounts. Also an announcement will be made in the same newspapers in which the DPS had appeared. The Acquirers along with PAC shall simultaneously also inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. Such revised offer price would be payable for all the equity shares validly tendered during the Tendering Period of the Offer
- 5.1.8 If the Acquirers & PAC acquire or agree to acquire any Equity Shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations, 2011. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 5.1.9 If the Acquirers & PAC acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers along with PAC shall pay the difference between the highest acquisition price and the Offer Price, to all Public Equity Shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an Open Offer under the SEBI (SAST) Regulations or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

5.2 Financial Arrangements

- 5.2.1 Assuming full acceptance, the maximum consideration payable under this Offer shall be ₹ 1,51,75,862 (Rupees One Crore Fifty One Lakhs Seventy Five Thousand Eight Hundred and Sixty Two only).
- 5.2.2 As security for the performance of its obligations under Regulation 17 of the SAST Regulations, the Acquirers have opened an Escrow Account (the “Escrow Account”) with Kotak Mahindra Bank Limited having its branch office at Mittal court Nariman Point, Mumbai and registered office at 2nd Floor,27BKC, Plot No. C-27,G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as the “Escrow Bank”) in the name and the style “Escrow Account – YKM Industries Ltd. – Open Offer “ and have deposited an amount of ₹37,93,970/- (Rupees Thirty Seven Lakhs Ninety Three Thousand Nine Hundred and Seventy only) being 25% of the consideration payable under this Offer (assuming full acceptance).
- 5.2.3 The Acquirers have empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 17(1) of the SEBI (SAST) Regulations.
- 5.2.4 In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers & PAC, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 5.2.5 The Acquirers & PAC have adequate and firm financial arrangements to implement the Offer in accordance with the SEBI (SAST) Regulations. The Open Offer obligations are being met by the Acquirers

& PAC through Internal sources and no borrowings from any bank and/ or financial institutions are envisaged.

- 5.2.6 Mr. R. Vinod, (membership no. 214143) Chartered Accountants, having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010, Mob. No.: 9841727642; vide his certificate dated March 16, 2018 has certified that Mr. Anil Jain, Mrs. Dimple Jain and Mrs. Ugam Devi Jain has adequate financial resources as on December 31, 2017 to fulfill all the obligations under SEBI (SAST) Regulations.
- 5.2.7 Mr. R. Vinod, (membership no. 214143) Chartered Accountants, having his office situated at 26/45, Aspiran Garden, 1st Street, Kilapauk Garden, Chennai - 600010, Mob. No.: 9841727642; vide his certificate dated May 29, 2018 has certified that Mr. Tarachand Jain has adequate financial resources as on March 31, 2018 to fulfill all the obligations under SEBI (SAST) Regulations.
- 5.2.8 Mr. S.M.Manish Bhurat Chartered Accountant (Membership No.: 228297) having his office situated at 97/C, Melpadi Muthu Naicken Street, Nangambakkam, Chennai – 600 034 ; Mob. No.:+91 98415 50109, Email id.: manish_1687@yahoo.com vide certificate dated March 07, 2018 has certified that Sherisha Technologies Private Limited(“STPL”) has adequate financial resources as on November 30, 2017 to fulfill all the obligations under SEBI (SAST) Regulations.
- 5.2.9 Based on the aforesaid financial arrangements and on the confirmation received from the Escrow Banker, Kotak Mahindra Bank Limited in regard to the balance in the Escrow A/C and Certificate received from Chartered Accountant in regard to the networth & liquid assets with the Acquirers & PAC, the Manager to the Offer is satisfied about the ability of the Acquirers & PAC to implement the Offer in accordance with the SEBI (SAST) Regulations, 2011. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligation.

6 TERMS AND CONDITIONS OF THE OFFER

6.1 Operational Terms and Conditions

- 6.1.1 The Offer is not conditional upon any minimum level of acceptances from shareholders in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.
- 6.1.2 The Letter of offer specifying the detailed terms and conditions of this offer along with form of acceptance cum acknowledgement (“**Form of Acceptance**”) will be mailed to all the public shareholders whose name appeared on the register of members of Target Company as at the close of business hours on Wednesday, May 30, 2018 (“**Identified Date**”).
- 6.1.3 The marketable lot for equity shares for the purpose of this offer shall be 1(one)
- 6.1.4 The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcement(s) that may be issued with respect to the Offer.
- 6.1.5 The Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available at SEBI’s website, www.sebi.gov.in and shareholders can also apply by downloading such forms from the website.
- 6.1.6 This offer is subject to the receipt of the statutory and other approvals as mentioned in Para. 6.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the statutory approvals are refused, the Offer would stand withdrawn.
- 6.1.7 Accidental omission to dispatch the Letter of Offer to any Equity Shareholder entitled under this Open Offer or non- receipt of the Letter of Offer by any Equity Shareholder entitled under this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Equity Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with Form of

Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, www.sebi.gov.in and the Equity Shareholders can also apply by downloading such forms from the website.

- 6.1.8 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 6.1.9 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.1.10 Any Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. In case the ownership of the Equity Shares is the subject matter of any dispute / litigation, the concerned Public Equity Shareholder shall along with the form of acceptance cum acknowledgment, submit such documents / records including the final orders of the court of competent jurisdiction confirming the said Public Equity Shareholder's legal and beneficial ownership over the Equity Shares so tendered. Where such documents / records are not submitted to the satisfaction of the Acquirers & PAC, the Acquirers & PAC may reject the Equity Shares so tendered in this Offer.
- 6.1.11 The Acquirers along with PAC, Manager to the Offer and/or the Registrar to the Offer accept no responsibility for any loss of equity share certificates, Offer acceptances forms, share transfer deed etc., during transit and the equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

6.2 Locked in shares:

There are no locked in Equity Shares in the Target Company.

6.3 Eligibility For Accepting The Offer

Registered equity shareholders of Target Company and unregistered shareholders who own the Equity Shares of Target Company as on the identified date, including the beneficial owners of the Equity Shares held in dematerialized form, except parties to SPA & PAC.

6.4 Statutory And Other Approvals

- 6.4.1 As on date of this LOF, to the best of the knowledge of the Acquirers along with PAC, there are no statutory approvals or other approvals are required to implement the Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirers & PAC will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 23 of SEBI (SAST) Regulations. In the event of withdrawal, a Public Announcement ("PA") will be made within two working days of such withdrawal, in the same newspapers in which this DPS has appeared.
- 6.4.2 As on date of LOF, no approval will be required from any Bank/Financial Institutions for the purpose of this offer, to the best of the Knowledge of the Acquirers & PAC.
- 6.4.3 Where any statutory approval extends to some but not all of the Public Equity Shareholders, the Acquirers & PAC shall have the option to make payment to such Public Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

- 6.4.4 If any of the Public Shareholders of the Target Company who are not persons resident in India (including NRIs, OCBs and FIIs) require any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such approvals along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers & PAC reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India.
- 6.4.5 Subject to the receipt of statutory and other approvals, if any, the Acquirers & PAC shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Public Equity Shareholders whose share certificates and/or other documents are found valid and are in order and are accepted for acquisition by the Acquirers & PAC.
- 6.4.6 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirers & PAC shall be responsible to pursue all statutory approvals required by the Acquirers & PAC in order to complete the Open Offer without any default, neglect or delay, including RBI approval under FEMA Act, 1999 regulations for shares tendered by non-resident shareholders. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers & PAC or the failure of the Acquirers & PAC to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers & PAC agreeing to pay interest to the Public Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, in event of non fulfillment of obligations under the SEBI (SAST) Regulation by the acquirers & PAC, Regulation 17(9) of SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 6.4.7 The Acquirers & PAC will have the right not to proceed with the Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of the Offer, a public announcement will be made (through the Manager to the Offer) stating the grounds and reasons for the withdrawal of the Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within two working days of such withdrawal in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

7 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1 Details of procedure for acceptance and settlement of the Offer

- 7.1.1 All Eligible Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period of this offer.
- 7.1.2 Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer.
- 7.1.3 The Offer will be implemented by the Acquirers & PAC through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI and BSE notices no. 20170202-34 dated February 02, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017.
- 7.1.4 BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Offer.
- 7.1.5 The Acquirers & PAC have appointed Keynote Capitals Limited (“**Buying Broker**”) as its broker for the Offer through whom the purchases and settlement of Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:

Keynote Capitals Limited

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028

Contact Person: Mr. Alpesh Mehta.

Email: alpesh@keynoteindia.net

Tel.: +91-22-30266000

- 7.1.6 All Eligible Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers (“Selling Broker”), during the normal trading hours of the secondary market during tendering period.
- 7.1.7 Separate Acquisition window will be provided by the BSE to facilitate placing of sell orders.
- 7.1.8 The Selling brokers can enter orders for investors having shares in demat and physical form
- 7.1.9 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender their Equity Shares in the Open Offer using the acquisition window of the BSE. Before placing the bid, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited (Clearing Corporation”), by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 7.1.10 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during tendering period.
- 7.1.11 Modification/ Cancellation of orders will not be allowed during the tendering period of the Open Offer.
- 7.1.12 Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 7.1.13 The equity shares tendered in response to the Offer will be held in a trust by the Registrar to the Offer / Clearing Corporation until the completion of the Offer (in accordance with the SEBI (SAST) Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations.
- 7.1.14 In the event Seller Broker(s) are not registered with BSE or if the Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Company's Broker, to bid by using quick UCC facility.
- Note:-** Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in 7.3. It may be noted that other than submission of above forms and documents in person verification may be required.

7.2 Procedure for tendering shares held in Dematerialized Form:

- 7.2.1 Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective depository participant (“DP”)/Selling Broker indicating the details of Equity Shares they intend to tender in the Offer.
- 7.2.2 Shareholders shall submit delivery instruction slip (“DIS”) duly filled- in specifying market type as “Open Offer” and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Open Offer.
- 7.2.3 The Selling Broker would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (“Clearing Corporation”) for the transfer of the Equity Shares to the special account of the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of the order entry. The details of the special account of Clearing Corporation shall be informed in the Offer opening circular that will be issued by BSE/ Clearing Corporation.
- 7.2.4 The Selling Broker shall provide early pay-in of demat shares to the Clearing Corporation before placing the bids/orders and the same shall be validated at the time of order entry.

- 7.2.5 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 7.2.6 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- 7.2.7 Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the Exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
- 7.2.8 The Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

7.3 Procedure to be followed by the Shareholders holding Equity Shares in physical form:

- 7.3.1 The Shareholders who are holding physical Equity Shares and intend to participate in the offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including:

A) For Registered Shareholder

- A.1 The form of Acceptance-cum-Acknowledgement duly signed (by all Public Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
- A.2 Original Share Certificates;
- A.3 Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirers & PAC;
- A.4 Self-attested copy of the Shareholder’s PAN card (in case of joint holders PAN card copy of all transferors);
- A.5 Any other Relevant documents such as (but not limited to):
- Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
 - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
 - Necessary corporate authorizations, such as Board Resolutions etc, in case of companies.
- A.6 In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Aadhar Card, Voter Identity card or Passport.

B) For Unregistered Shareholders:

- B.1. Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- B.2. Original share certificate(s);
- B.3. Original broker contract note;
- B.4. Valid share transfer deed(s).
- B.5. Self attested copy of the PAN Card
- B.6. The acknowledgement received, if any, from the Target Company in case the Equity Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its Registrar to the Offer to send the transferred share certificate(s) directly to the collection centre as mentioned in above. The applicant should ensure that the share certificate(s) reach the collection centre before the date of Closure of the Tendering Period.
- B.7. The details of the buyer should be left blank failing which the same will be invalid under the Open Offer. Unregistered Shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

- 7.3.2 Selling Broker should place order on the Acquisition Window with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- 7.3.3 The Seller Broker/investor has to deliver the physical share certificates and documents along with Form of Acceptance- cum-Acknowledgement and TRS to the Registrar to the Offer within two days of bidding by Seller Broker and not later than two days from the date of Closure of the Tendering Period. The envelop should be superscribed as “YKM Industries Limited – Open Offer”.
- 7.3.4 Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in the Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA, the bid will be accepted, else rejected, and accordingly the same will be depicted on the exchange platform.

7.4 Shareholders who have sent their Equity Share certificates for dematerialization should enclose:

- 7.4.1 Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- 7.4.2 A copy of the dematerialization request form duly acknowledged by the beneficial owners DP. Such Shareholders should ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the Date of Closing of Tendering Period, else the Form of Acceptance, in respect of dematerialized Equity Shares not credited to the Escrow Demat Account, is liable to be rejected. Alternatively, if the Shares sent for dematerialization are yet to be processed by the beneficial owners DP, the Shareholders can withdraw their dematerialization request and tender the Equity Share certificates in the Open Offer as per procedure mentioned in the Letter of Offer.

7.5 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers & PAC shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

7.6 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Public Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.7 Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:

Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, DPS and the Letter of Offer. Any such application must be sent to the Registrar to the Offer at the address mentioned above so as to reach the Registrar to the Offer on or before the date of Closing of the Tendering Period, together with:

- a. **In the case of Equity Shares in physical form:** The registered Shareholders can send their application in writing to the Registrar, on plain paper, stating name, address, the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original share certificate(s) and valid transfer deeds. Unregistered Shareholders can send their application in writing to the Registrar, on plain paper, stating the name and address of the first holder, name(s) and address(es) of joint holder(s) (if any), the number of Equity Shares held, the number of equity shares offered and the distinctive numbers and folio number, together with the original share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; Shareholders who have lodged their equity shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of equity shares.
- b. **In the case of Equity Shares held in dematerialized form:** Name, address, number of Equity Shares held, number of Equity Shares offered, the Depository Participant (“DP”) name and the DP ID and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP for transferring the Equity Shares in favor of the Escrow Demat Account, the details of which are mentioned in above. Any shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favor of the Escrow Demat Account during the Tendering Period of this Open Offer.

Shareholders who have sent their share certificates for dematerialisation should send a copy of the dematerialized request form duly acknowledged by their depository participant.

Alternatively, such Eligible Shareholders of the Target Company may download the Form of Acceptance-cum- acknowledgement in relation to this Open Offer annexed to the Letter of Offer from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

- 7.8 The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement would also be available at SEBI website i.e. www.sebi.gov.in and Shareholders can also apply by downloading such forms from the said website.

7.9 Settlement Process

- 7.9.1 Where the number of Equity Shares offered for sale by the Shareholders are more than the Equity Shares agreed to be acquired by Acquirers & PAC, the Acquirers & PAC will accept the offer(s) received from the Shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.
- 7.9.2 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- 7.9.3 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.
- 7.9.4 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirers & PAC.

- 7.9.5 In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the securities pool account of the Selling Broker(s)/custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
- 7.9.6 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted shares are accepted by their respective DPs.
- 7.9.7 It may be noted that the Equity Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Offer and dispatch of Consideration gets delayed.

7.10 Settlement of Funds/Payment Consideration

- 7.10.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 7.10.2 The Company will transfer the consideration pertaining to the Offer to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholder(s). If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholder(s) will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.
- 7.10.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 7.10.4 For the Eligible Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 7.10.5 Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Consideration received by the Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers along with PAC accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholder.
- 7.10.6 In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers & PAC to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirers & PAC agreeing to pay interest to the Shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- 7.10.7 Shareholders of the Target Company who are either non-resident Indians or Overseas Corporate Bodies and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable Reserve Bank of India ("RBI") approvals (specific and general) which they would have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such RBI approvals are

not submitted, the Acquirers & PAC reserves the sole right to reject the Equity Shares tendered by such Shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirers & PAC from NRIs and OCBs. While tendering the Equity Shares under the Open Offer, NRIs/OCBs/foreign shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers & PAC under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the Consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers & PAC will deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire Consideration amount payable to such Shareholder.

7.11 Rejection Criteria

The Equity Shares tendered by Shareholders are liable to be rejected on the following grounds amongst others:

1) For Shareholders holding Equity Shares in dematerialized form:

- a) The Shareholder is not an Eligible Shareholder of the Company as of the Identified Date;
- b) If there is mismatch in the name (s) of holders/ order of the names in demat account from where shares are tendered and in the demat account as of Identified Date;
- c) Shares tendered over and above the holding as on the Identified Date.

2) For Shareholders holding shares in physical form:

- a) If the original share certificate(s) is/ are not enclosed or any other company's equity share certificate(s) are enclosed with the Tender Form instead of the Equity Share Certificate(s) of the Company;
- b) If the transmission of Equity Shares is not completed and the Equity Shares are not in the name of the Eligible Shareholders;
- c) If the Eligible Shareholders has bid the Equity Shares but the Registrar to the Offer does not receive the Equity Share Certificate(s)/ does not receive the Equity Share Certificate(s) within 2 (two) days from the Closing Date i.e. Thursday, June 28, 2018 (by 5:00 PM);
- d) In case the signature in the Tender Form and Form SH-4 does not match as per the specimen signatures recorded with Company/ Registrar of the Company;
- e) In case the transfer form–SH4 is not witnessed

8. COMPLIANCE WITH TAX REQUIREMENTS

- 8.1 As per the current provisions of the Income Tax Act, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax has been paid on the transaction. Securities Transaction Tax will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Also, as per Budget announcement for 2018, a long-term capital gains tax of 10% if the gains exceed ₹ 100,000/- without allowing the benefit of indexation. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less, which are sold, will be subject to short term capital gains tax.
- 8.2 Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfaction of certain prescribed conditions.
- 8.3 In case of Resident Public Shareholders – the Acquirers & PAC shall not deduct tax on the Consideration payable to resident Public Shareholders pursuant to the Offer.
- 8.4 In case of Non-Resident Public Shareholders – the Acquirers & PAC will deduct income-tax at source at the applicable rates under the Income Tax Act on the Consideration payable to non-resident Public Shareholders pursuant to the Offer.

- 8.5 In case of interest payments, if any, by the Acquirers & PAC for delay in payment of Offer Consideration or a part thereof, the Acquirers & PAC will deduct taxes at source at the applicable rates under the Income Tax Act.

PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS & PAC DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Equity Shareholders of the Target Company at the Corporate office of the Manager to the offer situated at on any working day (except Saturdays and Sundays and public holidays) between 10.00 A.M. to 3.00 P.M during the period from the date of commencement of the Tendering Period until the date of expiry of the Tendering Period.

- 9.1 Memorandum and Articles of Association and certificate of incorporation of STPL.
- 9.2 MOU between Acquirers and Keynote Corporate Services Limited dated April 05, 2018.
- 9.3 Letter from Registrar to the Offer i.e. Cameo Corporate Services Limited Ltd dated April 05, 2018 duly accepted by Acquirers.
- 9.4 Share Purchase Agreement dated April 11, 2018 and Supplement Share Purchase Agreement dated May 24, 2018 entered into between the Acquirers the sellers.
- 9.5 PA submitted to the Stock Exchanges on April 11, 2018
- 9.6 Copy of the DPS published by the Manager to the Offer on behalf of the Acquirers on April 18, 2018.
- 9.7 Networth Certificate of Mr. Anil Jain, Mrs. Dimple Jain and Mrs. Ugam Devi Jain dated March 07, 2018, issued by R. Vinod, (Membership no. 214143) Chartered Accountants certifying net worth as on December 31, 2017.
- 9.8 Networth Certificate of Mr. Tarachand Jain dated May 19, 2018, issued by R. Vinod, (Membership no. 214143) Chartered Accountants certifying net worth as on March 31, 2018.
- 9.9 Certificate dated March 16, 2018, issued by Mr. R. Vinod, (Membership no. 214143) Chartered Accountants certifying the adequacy of financial resources of Anil Jain, Dimple Jain and Ugam Devi Jain to fulfill the obligations under this Offer.
- 9.10 Certificate dated May 29, 2018, issued by Mr. R. Vinod, (Membership no. 214143) Chartered Accountants certifying the adequacy of financial resources of Mr. Tarachand Jain to fulfill the obligations under this Offer.
- 9.11 Networth Certificate of Sherisha Technologies Private Limited Jain dated March 13, 2018, issued by Mr. S.M.Manish Bhurat Chartered Accountant (Membership No.: 228297) certifying networth as on November 30, 2017.
- 9.12 Certificate dated March 07, 2018, issued by S.M.Manish Bhurat Chartered Accountant (Membership No.: 228297) certifying the networth and adequacy of financial resources of Sherisha Technologies Private Limited to fulfill the obligations under this Offer.

- 9.13 Escrow Agreement dated March 21, 2018 between the Acquirers, the Manager to the Offer and the Escrow Bank.
- 9.14 Confirmation received from the Escrow Bank confirming the receipt of the cash deposit in the Escrow Account and a lien in favor of the Manager to the Offer.
- 9.15 Annual Report for financial years ending on March 31, 2016 and March 31, 2017 and signed audited financial for the year ended March 31, 2018 as submitted to the Stock Exchange of the Target Company.
- 9.16 Annual Report for financial years ending on March 31, 2015, March 31, 2016 and March 31, 2017 and provisional financial statement provided by statutory auditor for 8 months period ended November 30, 2017 of STPL.
- 9.17 Copy of the recommendation made by the committee of the independent directors of the Target Company.
- 9.18 SEBI observation letter no. SEBI/HO/CFD/DCR-2/OW/P/2018/15518/1 dated May 28, 2018 containing its comments on the Draft Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.

10. DECLARATION BY THE ACQUIRERS & PAC

- 10.1 Unless stated otherwise, the Acquirers & PAC accept full responsibility for the information contained in the LOF, including the attached form of acceptance cum acknowledgement (other than such information relating to the Target Company which has been obtained from public sources and sellers or the Target Company).
- 10.2 The Acquirers & PAC accept full responsibility for their obligations under the Offer and shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.
- 10.3 The Manager to the offer hereby states that the person signing this Letter of Offer on behalf of Acquirers along with PAC have been duly authorized by the Board of Directors of Acquirers & PAC to sign this Letter of Offer.

SIGNED FOR AND ON BEHALF OF ACQUIRERS & PAC.

			Sherisha Technologies Private Limited	
Sd/- Anil Jain	Sd/- Dimple Jain	Sd/- Ugam Devi Jain	Sd/- Anil Jain	Sd/- Tarachand Jain

Place: Chennai
Date: June 01, 2018

Encl.: Form of Acceptance-Cum-Acknowledgement

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT (FOA)

(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON:	Wednesday, June 13, 2018
OFFER CLOSSES ON:	Tuesday, June 26, 2018

Please read the Instructions overleaf before filling-in this Form of Acceptance

FOR OFFICE USE ONLY	
Acceptance Number	
Number of Equity Shares Offered	
Number of Equity Shares accepted	
Purchase Consideration (₹)	
Cheque/Demand Draft/Pay Order No.	

Status (Please tick appropriate box)					
<input type="checkbox"/>	Individual.	<input type="checkbox"/>	FII	<input type="checkbox"/>	Insurance Co
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/FI	<input type="checkbox"/>	Pension/PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>	Others (specify)

Please insert name, address and other details of Equity Shareholder/ Beneficiary Owner

From:

Tel. No.:

Fax No.:

Email:

To,
The Acquirers & PAC
C/o Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road
Chennai – 600 002.

Sub.: Open Offer for acquisition of 11,67,374 Equity Shares of Face Value ₹10/- each of YKM Industries Limited (the ‘Target Company’) representing 26.00% of total fully paid up equity share capital (“voting share capital”) of Target company for cash, at price of ₹13/- (Indian Rupees Thirteen only) per equity share by Mr. Anil Jain (“Acquirer 1”), Mrs. Dimple Jain (“Acquirer 2”), Mrs. Ugam Devi Jain (“Acquirer 3”), Sherisha Technologies Private Limited (STPL) (“Acquirer 4”) and Mr. Tarachand Jain (“Person acting in Concert (PAC) under SEBI (SAST) Regulations, 2011.

Dear All,

1. I/We refer to the Letter of Offer dated June 01, 2018 for acquiring the Equity Shares held by me/us in of YKM Industries Limited. I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I/We, unconditionally Offer to sell to the Acquirers & PAC the following Equity Shares in the Target Company held by me/ us at a price of ₹ 13/- (Rupee Thirteen Only) per Equity Share.
3. Details of Equity Shares held and tendered/ offered under the offer:

Ledger Folio No.....Number of share certificates attached.....		
Representing Equity Shares		
	In figures	In words
Equity Shares held as on Identified Date (May 30, 2018)		
Number of Equity Shares Offered under the Open Offer		

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
1.				
2.				
3.				
Total No. of Equity Shares				

In case the number of folios and share certificates enclosed exceed 3 nos., Please attach a separate sheet giving details in the same format as above.

4. I/We authorize the Acquirers & PAC to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirers & PAC may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I/we further authorize the Acquirers & PAC to apply and obtain certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers & PAC to return to me/ us, Equity Share in respect of which the Offer is not found/ not accepted, specifying the reasons thereof.
5. I/ We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers & PAC make payment of Consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
6. I/ We hereby warrant that the Equity Shares comprised in this Tender Offer are offered under open Offer free from all liens, equitable interest, charges and encumbrance.

7. I/We declare that there is no restraints/injunctions or other covenants of any nature which limits/restricts in any manner my/ our right to tender Equity Shares under the Open Offer and that I/ We am/are legally entitled to tender the Equity Shares.
8. I/ We agree that the Acquirers & PAC will pay the Offer Price as per the Stock Exchange mechanism.
9. Details of the other Documents (duly attested) (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney		Previous RBI approvals for acquiring the Equity Shares of YKM Industries Limited hereby tendered in the Open Offer
	Death Certificate		Succession Certificate
	Self-attested copy of PAN Corporate authorizations		Corporate authorizations
	Others (please specify):		

10. Equity Shareholders Details:

	1st / Sole holder	Joint holder 1	Joint holder 2	Joint holder 3
Full Name(s)				
PAN				
Address of the 1st / Sole holder				
Telephone of 1st / Sole holder e-mail id of 1st / Sole				
Signature(s)*				

*Corporate must also affix rubber stamp and sign.

Bank Details

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first / sole shareholder and the Consideration cheque or demand draft will be drawn accordingly.

I / We permit the Acquirers & PAC or the Manager to the Offer to make the payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.

Savings/Current/(Others; please specify): _____

Name of the Bank Branch: _____

Account Number: _____ IFSC Code of Bank _____

The Permanent Account Number (PAN No.) allotted under Income Tax Act, 1961 is as below:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.			

Yours faithfully,

Signed and Delivered:

	Full Name(s) Of The Holders	Signature (S)*
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

*Corporate must also affix rubber stamp and sign.

INSTRUCTIONS:

1. This Offer will open on Wednesday, June 13, 2018 and close on Tuesday, June 26, 2018.
2. This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.
3. Eligible Persons who wish to tender their Equity Shares in response to this Open Offer should submit the following documents to the selling member, who in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the RTA:
 - a) The relevant Form of Acceptance duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
 - b) Original share certificates.
 - c) Copy of the Permanent Account Number (PAN)Card.
 - d) Transfer deed (Form SH-4) duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
 - e) A self-attested copy of address proof consisting of any one of the following documents i.e., valid Aadhaar Card, Voter Identity Card, Passport or driving license.
4. Eligible Persons should also provide all relevant documents in addition to above documents which may include (but not limited to):
 - a) The relevant Form of Acceptance duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
 - b) Original share certificates.
 - c) Copy of the Permanent Account Number (PAN)Card.
 - d) Transfer deed (Form SH-4) duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
 - e) A self-attested copy of address proof consisting of any one of the following documents i.e., valid Aadhaar Card, Voter Identity Card, Passport or driving license.
5. All documents / remittances sent by or to Eligible Persons will be at their own risk and the Eligible Persons are advised to adequately safeguard their interests in this regard.
6. All documents as mentioned above shall be enclosed with the valid Form of Acceptance otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others:
 - a) If share certificates of any other company are enclosed with the Form of Acceptance instead of the share certificate of the Company;
 - b) Non-submission of notarized copy of death certificate / succession certificate / probated/Will, as applicable in case any Eligible Person has deceased.
 - c) If the Eligible Person(s) bid the shares but the Registrar does not receive the share certificate; or
 - d) In case the signature in the Form of Acceptance and Form SH-4 doesn't match as per the specimen signature recorded with the Target Company /Registrar.

----- Tear along this line -----

Acknowledgement Slip

Open Offer for acquisition of 11,67,374 Equity Shares of Face Value ₹10/- each of YKM Industries Limited (the 'Target Company') representing 26.00% of total fully paid up equity share capital ("voting share capital") of Target company for cash, at price of ₹13/- (Indian Rupees Thirteen only) per equity share by Mr. Anil Jain ("Acquirer 1"), Mrs. Dimple Jain ("Acquirer 2"), Mrs. Ugam Devi Jain ("Acquirer 3") Sherisha Technologies Private Limited (STPL) ("Acquirer 4") and Mr. Tarachand Jain ("Person acting in Concert (PAC) under SEBI (SAST) Regulations, 2011.

Received from Mr./ Ms.

Address:

Form of Acceptance-cum-Acknowledgement for _____ Shares along with:

Physical Shares: Share Certificate(s) along with _____ number of Form SH 4- Securities Transfer Form(s) under Folio Number (s) _____

TRS No.: _____

Other Documents, please specify: _____

(Tick whichever is applicable)

Stamp of Registrar to the Offer:		Signature of the Official:		Date of Receipt:	
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Note: All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

C/o Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road, Chennai – 600 002
Tel No: +91-44 - 2846 0390(5 Lines), **Fax No:** +91-44 - 2846 0129
E-mail: investor@cameoindia.com, **Website:** www.cameoindia.com
SEBI Registration No.: INR000003753
Contact Person: Ms. Sreepriya .K

Business Hours (Except Public Holidays): Monday to Friday: 9:30 a.m. to 5:30 p.m. and on Saturday: 9:30 a.m. to 1:30 p.m.

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