

YARN SYNDICATE LIMITED

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CIN: L51109WB1946PLC013842

Recommendations of the Committee of Independent Directors ("IDC") of Yarn Syndicate Limited ("Target Company") in relation to the Open Offer ("Offer") made by Mr. Ravi Niranjana Pandya ("Acquirer"), to the Public Shareholders of the Target Company ("Shareholders") under Regulations 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Subsequent Amendments thereto ("SEBI (SAST) Regulations, 2011").

1	Date	13/02/2023																					
2	Target Company ("TC")	Yarn Syndicate Limited																					
3	Details of the Offer pertaining to the Target Company	The offer is being made by the Acquirer pursuant to Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 for the acquisition upto 9,75,000 (Nine Lakh Seventy-Five Thousand) Equity Shares of the face value of ₹10.00/- (Rupees Ten Only) each representing 26.00% of the Equity Share Capital/ Voting Capital of the Target Company at a Price of ₹14.00/- (Rupees Fourteen Only) ("Offer Price"), payable in Cash.																					
4	Acquirer	Mr. Ravi Niranjana Pandya																					
5	Manager to the Offer	Kunvarji Finstock Private Limited																					
6	Members of the Committee of Independent Directors (IDC)	1. Mrs. Neha Amin Merchant Chairman 2. Mr. Sourav Bhattacharjee Member																					
7	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any	The above IDC Members are Independent Directors on the Board of the Target Company. They do not have any Equity holding in the Target Company. None of them has entered into any other contract or has other relationships with the Target Company.																					
8	Trading in the Equity shares/other securities of the TC by IDC Members	No trading in the Equity Shares of the Target Company has been done by any of the IDC Members.																					
9	IDC Member's relationship with the acquirers (Director, Equity shares owned, any other contract/relationship), if any.	None of the IDC Members holds any contracts, nor has any relationship with the Acquirer in their personal capacities.																					
10	Trading in the Equity shares/other securities of the acquirers by IDC Members	No trading in the Equity Shares/Other Securities of the acquirers by IDC Members																					
11	Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable	Based on the review of the Public Announcement and the Detailed Public Statement issued by the Manager to the Offer on behalf of the Acquirer. IDC Members believe that the Offer is fair and reasonable and in line with the SEBI (SAST) Regulations, 2011. IDC also draws the attention of Public Shareholders to the current share price which has exceeded the open offer price after the PA date. The shareholders may therefore independently evaluate the offer and take an informed decision in the best of their interests.																					
12	Summary of reasons for the recommendation	<p>IDC has taken into consideration the following for making the recommendation: IDC has reviewed</p> <ol style="list-style-type: none"> The Public Announcement ("PA") dated 17/11/2022; The Detailed Public Statement ("DPS") which was published on 24/11/2022; The Draft Letter of Offer ("DLOF") dated 01/12/2022; The Letter of Offer ("LOF") dated 01/02/2023 Based on the review of PA, DPS, DLOF and LOF, the IDC Members are of the view that the Offer Price is in line with the parameters prescribed by SEBI in the Regulations. <p>The Equity Shares of the Target Company are listed and traded on bourses of BSE and are frequently traded within which the meaning of the definition of "Frequently traded shares" under clause (j) of sub-regulation (1) of Regulation 2 of the SEBI (SAST) Regulations on BSE.</p> <p>The Offer Price of ₹14.00/- (Rupees Fourteen Only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr.</th> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Price (in ₹ per Equity Share)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>The highest negotiated price per Equity Share of the Target Company for acquisition under any agreement attracting the obligation to make a PA of an Open Offer.</td> <td style="text-align: center;">4.00/-</td> </tr> <tr> <td style="text-align: center;">2</td> <td>The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of PA.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">3</td> <td>The highest price paid or payable for any acquisition by the Acquirer during 26 weeks (Twenty-Six) immediately preceding the date of the PA.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">4</td> <td>The volume-weighted average market price of such Equity Shares for a period of 60 (Sixty) trading days immediately preceding the date of PA as traded on BSE, provided such shares are frequently traded.</td> <td style="text-align: center;">13.48/-</td> </tr> <tr> <td style="text-align: center;">5</td> <td>The per Equity Share value is computed under Regulation 8(5) of the Takeover Regulations, if applicable.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Where the shares are not frequently traded, price is determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share.</td> <td style="text-align: center;">Not Applicable</td> </tr> </tbody> </table> <p>In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price is Rs. 14.00/- in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011.</p>	Sr.	Particulars	Price (in ₹ per Equity Share)	1	The highest negotiated price per Equity Share of the Target Company for acquisition under any agreement attracting the obligation to make a PA of an Open Offer.	4.00/-	2	The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of PA.	Not Applicable	3	The highest price paid or payable for any acquisition by the Acquirer during 26 weeks (Twenty-Six) immediately preceding the date of the PA.	Not Applicable	4	The volume-weighted average market price of such Equity Shares for a period of 60 (Sixty) trading days immediately preceding the date of PA as traded on BSE, provided such shares are frequently traded.	13.48/-	5	The per Equity Share value is computed under Regulation 8(5) of the Takeover Regulations, if applicable.	Not Applicable	6	Where the shares are not frequently traded, price is determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share.	Not Applicable
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13	Details of Independent Advisors, if any.	None																					
14	Any other matter to be highlighted	None																					

To the best of my knowledge and belief, after making the proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the SEBI (SAST) Regulations, 2011.

For and on behalf of the Committee of
Yarn Syndicate Limited
Sd/-

Neha Amin Merchant
Director (DIN: 07454674)

Place: West Bengal
Date: 13/02/2023