

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

CIN : L05001TN1994PLC028263

BOARD OF DIRECTORS

Sri. YERABHAGHA MEERA REDDY
MANAGING DIRECTOR
Smt. Y. M. R. PRASOONA
Sri. N. G. ANBUMANI
Sri. D. LOGANATHAN

BANKERS

BANK OF INDIA
AXIS BANK LTD.

AUDITORS

GANESH VENKAT & CO.
Chartered Accountants
New No. 2, (Old No. 25), Chengalvaryan Street,
1st Floor, Shenoy Nagar,
Chennai – 600 030.

SHARES LISTED AT

The Stock Exchange Mumbai
Madras Stock Exchange Limited
Bangalore Stock Exchange Limited

REGISTERED OFFICE

No. 4, Jayalakshmipuram
1st Street, Nungambakkam
Chennai – 600 034.

YKM INDUSTRIES LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty First Annual General Meeting of **YKM INDUSTRIES LIMITED** will be held on Tuesday, the **29th Day of September 2015 at 10.45 A.M.** at No. 4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai - 600034 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N.G. Anbumani who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of Auditors and fix their remuneration.

"RESOLVED THAT, pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder(including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the members at the Annual General Meeting held on September 29, 2014, the appointment of **M/s. Ganesh Venkat & Co**, Chartered Accountants (Firm registration number 005293S),as the auditors of the Company to hold office till the conclusion of Twenty Third Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification of the appointment by the members at every AGM by means of an Ordinary Resolution to be held after this AGM) be and is hereby ratified and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors."

/By Order of the Board/

For **YKM INDUSTRIES LIMITED**

Place : Chennai.

Date : **28.08.2015**

DIRECTOR

YKM INDUSTRIES LIMITED

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing the proxy, duly completed must be deposited at the registered office of the Company atleast 48 hours before the Commencement of the meeting. A blank proxy form is attached.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/Proxies/Authorized Representatives should bring duly filled Attendance Slip sent herewith to attend the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September, 2015 to 29th September, 2015 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2014-15.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking appointment/re-appointment as Director, is provided in the annexure.
8. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified true copy of the

YKM INDUSTRIES LIMITED

Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS)/ Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Company's Registrar and Share Transfer Agent (RTA), M/s. GNSA Infotech Limited ,Chennai. Changes intimated to the Registrar and Share Transfer Agent (RTA) will then be automatically reflected in the Company's records which will help the Company and M/s. GNSA Infotech Limited ,Chennai to provide efficient and better services.

9. Members holding shares in physical form are requested to send all correspondence with respect to the updation of their bank details, transfer of shares, change of address, conversion of physical shares into Demat form etc., to M/s. GNSA Infotech Limited ,Chennai.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company for assistance in this regard.
11. Members may visit Company's website: www.ykmindustries.com and contact us at e-mail: ykmindustrieslimited@gmail.com ykminds@gmail.com
12. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Clause 35B of the Listing Agreement, the Company is providing a facility to its members to exercise their votes electronically through the remote e-voting facility arranged by National Securities Depository Limited (NSDL) for all items of business as set out in the notice of the AGM and confirms that the business can be transacted through e-voting in pursuance of the above provisions. The facility for voting through ballot/ poll paper will also be made available at the AGM and the members who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through voting by ballot/poll paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to

YKM INDUSTRIES LIMITED

cast their votes again. The Notice of the 21stAGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent to all members by Registered Post/Speed Post.

13. The Company is concerned about the environment and utilizes the natural resources in a sustainable way. We request you to update your email address with RTA to enable us to send Annual Report, Notices and all other communications via email.
14. Members who are holding shares in more than one folio are requested to intimate to the Registrar and Share Transfer Agent, the details of all folio numbers for consolidation into a single folio.
15. Members desiring any information as regards the financial statements are requested to write to the Company at least seven days before the date of the meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

YKM INDUSTRIES LIMITED

PROFILE OF THE DIRECTORS BEING RE-APPOINTED / APPOINTED

The brief resume of each of the Directors who are proposed to be appointed/re-appointed is given below:

Name of the Director	Mr. N G Anbumani
Director Identification Number (DIN)	02303791
Qualification	M.Com
Experience	20 Years
Date of Birth	27.2.1967
Date of Appointment	01.1.2010
Profile	Mr. N G Anbumani 48 years aged has a Post Graduate Degree in Commerce and has good experience in business. He is a Director in Scanet Trading Private Limited. He is retiring by rotation in the current year and being eligible offer himself for reappointment. The directors recommend his appointment.
Directorship in other Companies	Scanet Trading Private Limited (Director)
Shareholding in the Company	NIL
Remuneration Sought to be paid	NIL

YKM INDUSTRIES LIMITED

Instructions for e-voting

The complete detail of the instructions for e-voting is annexed to this notice.

Registered Folio No. / DP ID No / Client ID No	Number of shares held

Dear Member,

Subject : Instructions for e-voting

Pursuant to the provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, additionally, to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 21st Annual General Meeting to be held on Tuesday, the 29th Day of September, 2015 at 10.45 A.M. (IST). The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 29th September 2015.

Steps for Remote e-voting

1. Open the internet browser and type the following URL:
URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging for the first time, please enter the User ID and Password provided in this document.
5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of e-Voting opens. Click on e-Voting: Active E-voting Cycles.
7. Select "EVEN" of YKM INDUSTRIES LIMITED.

YKM INDUSTRIES LIMITED

8. Now you are ready for e-Voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Con?rm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolutions, you will not be allowed to modify your vote.
12. For the votes to be considered valid, the institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
14. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

General Instructions:

1. The facility for voting through ballot/poll paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
2. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
3. The remote e-voting period commences on 10.00 A.M. on Friday, 25th September, 2015 and ends on 5.00 P.M. on Monday, 28th September, 2015. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2015, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
4. Since the Company is required to provide members the facility to cast their vote by electronic means (remote e-voting), shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the 22nd September, 2015 (and who have not cast their vote electronically during currency of remote e-voting, may only cast their vote at the Annual General Meeting.
5. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e. 22nd September, 2015 may obtain the login ID and password by sending a request in writing at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can

YKM INDUSTRIES LIMITED

reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.
7. Shri. N. Ramanathan, Partner of M/s. S Dhanapal & Associates, A firm of Practicing Company Secretaries (Membership No.FCS6665) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
9. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
10. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 22nd September, 2015.
11. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ykmindustries.com and on the website of NSDL within 48 hours of conclusion of the Annual General Meeting and the same shall be communicated simultaneously to the Stock Exchanges.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 30th Annual General Meeting of the Company.

**By order of the Board of Directors
For YKM INDUSTRIES LIMITED**

**Sd/-
Yerabhagha Meera Reddy
Managing Director
DIN : 00628630**

Place : Chennai.
Date : **28.08.2015**

YKM INDUSTRIES LIMITED

BOARD'S REPORT

To the Members,

The Directors have great pleasure in presenting the 21st Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2015.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2015 are summarized below:

SI.No.	Particulars	Current Year ended 31st March, 2015	Previous Year ended 31st March, 2014
(i)	Revenue from operations (net)	-	-
(ii)	Other Income	-	-
(iii)	Total Income	-	-
(iv)	Operating Expenditure	4,13,845	1,80,417
(v)	Profit before Interest, Depreciation and Amortization and Tax	-	-
(vi)	Finance Costs (net)	-	-
(vii)	Depreciation and Amortisation	-	-
(viii)	Profit before Taxes	(4,13,845)	(1,80,417)
(ix)	Tax Expenses	1,27,878	55,748
(x)	Net Profit / (Loss) for the Year	(2,85,967)	(1,24,669)
(xi)	Balance Brought Forward from Previous Year	(3,31,479)	(2,06,810)
(xii)	Balance carried to Balance Sheet	(6,17,446)	(3,31,479)

PERFORMANCE OF THE COMPANY

The company has not made any income during the financial year. Your company has incurred a net loss after tax of Rs. 2,85,967/- during the financial year.

DIVIDEND

Due to non-availability of profits during the financial year, your Directors do not recommend any dividend for the financial year 2014-2015.

YKM INDUSTRIES LIMITED

SHARE CAPITAL

During the year, your company has not made any allotment, subsequent to which there is no change in the share capital of the company.

TRANSFER TO RESERVES

The Company has incurred loss and has carried the losses to Profit & Loss Account and hence no transfer to General Reserve was made during the Year.

FINANCE

Cash and cash equivalent as at March 31, 2015 amounted to Rs.4,54,38,908/-.

DEPOSITS

During the year, your Company has not accepted any Deposits.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans and guarantees given by the Company falling under Section 186 of the Companies Act, 2013. Particulars of investments covered under Section 186 forms part of the notes on financial statements provided in this Annual Report.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments and Resignations

The Board has not appointed any directors during the financial year. Neither any of the Directors has resigned during the financial year.

Details of appointments and resignations of Directors and Key Managerial personnel during the year are tabled below:

Name of Director/Key Managerial Personnel	Designation	Date of Appointment	Date of Resignation
NIL			

Re-appointments

As per provisions of the Companies Act, 2013, Mr.N.G.Anbumani, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends his re-appointment.

YKM INDUSTRIES LIMITED

Declaration By Independent Directors

The company is looking for Independent directors with suitable qualifications during the year and accordingly this may not be applicable to the company. The company will try to find suitable Independent Directors and appoint them as soon as possible.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year, 5 (Five) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARD COMMITTEES

The Board has two committees namely, Audit Committee and Shareholders/Investors Grievances Committee. A detailed note on the committees is provided under the Corporate Governance Report forming part of Boards' Report. The Composition of the primary Committees and their meeting dates are given below:

Name of the Committee	Composition	Details of Meetings held during the year
Audit Committee	Comprises of two Non-Executive Independent Directors and one Executive Director. The Chairman of the Committee is Mr. N.G. Anbumani.	Four meetings were held during the year on the following dates:- <ul style="list-style-type: none">♦ 28th May, 2014♦ 30th July, 2014♦ 31st October, 2014♦ 9th February, 2015
Shareholders/Investors Grievances Committee	Comprises of two Non-Executive Directors.	<ul style="list-style-type: none">♦ 13th August 2014♦ 9th February 2015

Details of recommendations of Audit Committee which were not accepted by the board along with reasons

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act, 2013 and Listing Agreement from time to time. During the

YKM INDUSTRIES LIMITED

year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

DETAILS OF POLICIES DEVELOPED BY THE COMPANY

Board Diversity

The Company recognizes and values the importance of a diverse board as part of its corporate governance and success. The Company believes that a truly diverse Board will leverage differences in ideas, knowledge, thought, perspective, experience, skill sets, age, ethnicity, religion and gender which will go a long way in retaining its competitive advantage . The company is looking for qualified independent directors to meet the requirements of provisions of Companies Act, 2013 which will help in better diversification of board.

Whistle-Blower Policy - Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/Chairman of the Audit Committee in exceptional cases.

In line with the statutory requirements, the Company has formulated a Whistle Blower Policy/Vigil Mechanism, which covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is or is likely to be affected and formally reported by whistle blowers concerning its employees.

YKM INDUSTRIES LIMITED

The Managing Director is responsible for the administration, interpretation, application and review of this policy. The Managing Director is also empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee. The mechanism also provides for access to the Chairman of the Audit Committee in required circumstances.

EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

The company will appoint Independent Directors as soon as possible and will do formal evaluation of the Board .

Training and familiarization program for independent directors

The company will appoint Independent Directors as soon as possible and will arrange to provide training and familiarization programme .

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

Your Company has no subsidiaries, joint venture or associate companies and hence the disclosure does not arise.

AUDITORS

Statutory Auditors

At the Annual General Meeting held on 25th September, 2014, M/s. Ganesh Venkat & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the matter of appointment of the auditors shall be placed for ratification at every Annual General Meeting of the company. Accordingly, the appointment of M/s. Ganesh Venkat & Co., Chartered Accountants, as statutory auditors of the company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that their appointment is ratified by the shareholders, it would be in accordance with the provisions of Section 141.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The

YKM INDUSTRIES LIMITED

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S Dhanapal & Associates, a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2014-2015 is annexed herewith as marked as Annexure A and forms part of this report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) Details of the employees employed throughout the year and drawing remuneration which in the aggregate exceeds Rupees Sixty Lakhs or more per annum, during the financial year.

During the year, no employees were in receipt of remuneration exceeding Rs. 60 Lakhs in aggregate, per annum.

(ii) None of the employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, which, in the aggregate exceeds Rupees Five Lakhs per month, during the financial year.

(iii) None of the employees except Managing Director hold by himself or along with his/her spouse and dependent children, more than two per cent of the equity shares of the Company.

Details required as per Section 197 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director/KMP	Amount of Remuneration Per Annum	Ratio of remuneration to median remuneration of employees for the FY	% increase in remuneration during the FY	Comparison of remuneration to performance of company
NIL				

YKM INDUSTRIES LIMITED

Percentage increase in the median remuneration of employees in the financial year

During the year, none of the employees were in receipt of remuneration.

Number of permanent employees on the rolls of the company as on 31.03.2015

There were no employees registered on the rolls of the Company as of 31st March 2015.

Explanation on relationship between average increase in remuneration and company performance

Since there was no remuneration given during the year to employees it does not have impact on company's performance.

Variations in Market Capitalization of the Company

There has been no trading in the shares on any of the stock exchanges during the year under review and hence this data has not been provided.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There was no increment found in salaries of the employees in your company during the financial year.

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

There are no employees who receive remuneration in excess of the highest paid Director during the year.

Details of pecuniary relationship or transactions of the non-executive directors vis-à-vis the company

There are currently three Non-Executive Directors in the company of which two directors are Independent Directors. They are not in receipt of any sitting fee for any of the meetings attended.

YKM INDUSTRIES LIMITED

Ms. Yerabhagha Meerareddy Prasoona, Non-Executive and Non-Independent Director holds 3,31,610 Equity shares as of 31st March 2015 .

Mr. Anbumani Neikkuppai Govindarajan, Non-Executive and Independent Director as of 31st March, 2015.

Mr. Loganathan Dhakshinamoorthy, Non-Executive and Independent Director as of 31st March, 2015.

They do not have any pecuniary relationship or transactions with the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company does not have any operations and board is of opinion that internal financial control are sufficient to meet the current requirements of the company.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial period ended 31.03.2015.

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

During the year there are no significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2015 TILL THE DATE OF THIS REPORT

There are no material Changes and commitments affecting the financial position of the company which has occurred since 31.03.2015 till the date of this report

YKM INDUSTRIES LIMITED

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in form MGT-9 is annexed herewith as marked as Annexure B and forms part of this report.

RELATED PARTY TRANSACTIONS

As required under clause 49 of the Listing Agreement, the company has developed a policy on dealing with Related Party Transactions and such policy is disclosed on the company's website www.ykmindustries.com.

There were no related party transactions as contemplated under Section 188 of Companies Act,2013 entered into during the financial year by the company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The details of Related Party Transactions as required under AS-18 are provided in the Notes to the Accounts.

CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements as stipulated under the listing agreement with the stock exchanges till the period ended 30/9/2014. With effect from 01st October 2014, Corporate Governance requirements under clause 49 is not applicable to the company with effect from 1st October 2014 as per SEBI circular dated September 15,2014. A report on Corporate Governance including Management Discussion and Analysis report under the Listing Agreement along with a certificate from M/s. S Dhanapal & Associates, a firm of Practicing Company Secretaries, regarding the compliance is annexed herewith and marked as Annexure C, which is given on voluntary basis and forms part of this report.

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

The details on Conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed herewith as marked as Annexure D and forms part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

YKM INDUSTRIES LIMITED

- i. *In the preparation of the annual accounts, the applicable accounting standards have been followed.*
- ii. *The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.*
- iii. *The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.*
- iv. *The directors have prepared the annual accounts on a going concern basis.*
- v. *The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.*
- vi. *The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.*

DEPOSITORY SYSTEM

Pursuant to the Directions of the Securities and Exchange Board of India, the Company's Securities has been dematerialized and also admitted into National Securities Depository Limited and has been allotted with ISIN - INE332F01018. The Company's Shares are listed.

REPLY TO QUALIFICATIONS IN SECRETARIAL AUDITOR'S REPORT

The company does not have any operations and hence has not appointed a Company Secretary, Internal Auditor and Chief Financial Officer. Once the operational performance of the company improves, it will appoint company secretary, internal auditor and chief financial officer.

As independent directors requirements as per provisions of companies act are stringent, the company is not able to immediately find out such directors and is looking for suitable candidates to be appointed as independent directors in the company. Once they are appointed by members, the company will reconstitute audit committee,

YKM INDUSTRIES LIMITED

constitute nomination and remuneration committee and will conduct familiarization programme for them, The formal evaluation will also be done by independent directors subsequent to their appointment.

With regard to certain delay in filings, non filings and advertisements to be given, the company will take necessary steps to ensure that such events are not happening in future.

ACKNOWLEDGEMENTS

The Directors would also like to thank members and bankers for the continued support given by them to the Company and their confidence reposed in the management. The Directors appreciate and value the contributions made by every member of YKM Industries Limited.

For and on behalf of the Board of Directors

Place : Chennai
Date : 28.08.2015

Sd/-
Yerabhagha Meera Reddy
Chairman & Managing Director
DIN : 00628630

YKM INDUSTRIES LIMITED

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. YKM Industries Limited
Chennai.

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s YKM Industries Limited** (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the company, during the audit period covering the financial year ended on March 31, 2015, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2015 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

YKM INDUSTRIES LIMITED

- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India-
Not Applicable
- ii) The Listing Agreements entered into by the Company

YKM INDUSTRIES LIMITED

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except on

- ◆ Appointment of Company Secretary and Chief Financial Officer as required under Section 203 of Companies Act 2013
- ◆ Appointment of Internal Auditor.
- ◆ Appointment of Independent Directors
- ◆ Re-constitution of Nomination and Remueration Committee and Stake holders Relationship Committee under Section 178 of Companies Act 2013.
- ◆ Re-constitution of Audit Committee under Section 177 of Companies Act 2013.
- ◆ Appointment of Independent Directors as required under the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conduct of their meeting;
- ◆ Performance appraisal of Director, Board and Committees as required under the provisions of Sections 134, 178 read with Schedule IV of the Companies Act, 2013
- ◆ Filing of e-forms for consideration and approval of the unaudited financial results for the quarter ended 30.06.2014, 30.09.2014 and approval of Board's Report and Financial Statements for the financial year ended 31.03.2014
- ◆ Newspaper advertisement regarding convening of Board Meeting as per Clause 41 of Listing Agreement.

We further report that the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors and Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors

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

YKM INDUSTRIES LIMITED

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on our limited review there appears adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for:

* Alteration of various clauses in Memorandum and replacing the regulations in Articles of Association.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **S DHANAPAL & ASSOCIATES**

Place : Chennai
Date : 28.08.2015

Sd/-
S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

YKM INDUSTRIES LIMITED

Annexure A

To
The Members
M/s. YKM Industries Limited
Chennai.

Our report of even date it to be read along with this supplementary testimony.

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For **S DHANAPAL & ASSOCIATES**

Place : Chennai
Date : 28.08.2015

Sd/-
S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

YKM INDUSTRIES LIMITED

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2015
of
YKM INDUSTRIES LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L05001TN1994PLC028263
- ii) Registration Date : 04/08/1994
- iii) Name of the Company : YKM INDUSTRIES LIMITED
- iv) Category / Sub-Category of the Company : Indian Company Limited by shares/ Indian Non-government Company
- v) Address of the Registered office and contact details:
No.4, Jayalakshmiapuram 1st Street, Nungambakkam,
Chennai - 600 034
- vi) Whether listed company Yes / No - YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
M/s. GNSA INFOTECH LIMITED
Regd. Office: STA Department, Nelson Chambers, 4th Floor
F-Block, No.115, Nelson Manickam Road,
Aminjikarai, Chennai-600 029.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	During the year no activity was carried on by the company		

YKM INDUSTRIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
(a) Individual / HUF	2876880	NIL	2876880	64.07	2876880	NIL	2876880	64.07	NIL
(b) Central Govt.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(c) State Govt.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(d) Bodies Corp.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(e) Banks/FI	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(f) Any other	NIL	NIL	NIL		NIL	NIL	NIL		NIL
Sub-total (A)(1)	2876880	NIL	2876880	64.07	2876880	NIL	2876880	64.07	NIL
(2) Foreign									
(a) Individual / HUF	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(b) Central Govt.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(c) State Govt.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(d) Bodies Corp.	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(e) Banks/FI	NIL	NIL	NIL		NIL	NIL	NIL		NIL
(f) Any other	NIL	NIL	NIL		NIL	NIL	NIL		NIL
Sub-total (A)(2)	NIL	NIL	NIL		NIL	NIL	NIL		NIL
Total shareholding of Promoter	2876880	NIL	2876880	64.07	2876880	NIL	2876880	64.07	NIL
(A) = (A)(1)+(A)(2)									

YKM INDUSTRIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year					No. of Shares held at the end of the year					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
B. PUBLIC SHAREHOLDING											
1. Institutions											
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/ FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub -total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions											
a) Bodies Corp.											
i) Indian	452500	18900	471400	10.50	452500	18900	471400	10.50	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals											
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	12600	459610	472210	10.52	12600	459610	472210	10.52	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	572210	97200	669410	14.91	572210	97200	669410	14.91	NIL	NIL	NIL

YKM INDUSTRIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	1037310	575710	1613020	35.93	1037310	575710	1613020	35.93	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	1037310	575710	1613020	35.93	1037310	575710	1613020	35.93	NIL
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	3914190	575710	4489900	100	3914190	575710	4489900	100	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -									
The Company has no Holding, Subsidiary and Associate Companies.									
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									

Sr No.	Name of the shareholder	Shareholding as at 1st April 2014				Shareholding as at 31st March 2015				% change in shareholding during the year
		Number of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	Number of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares			
1.	Y Meera Reddy	24,16,460	53.82	NIL	24,16,460	53.82	NIL	NIL	NIL	NIL
2.	YMR Prasanna	3,31,610	7.39	NIL	3,31,610	7.39	NIL	NIL	NIL	NIL
3.	A H Kishore	1,28,810	2.87	NIL	1,28,810	2.87	NIL	NIL	NIL	NIL
	Total	28,76,880	64.07	NIL	28,76,880	64.07	NIL	NIL	NIL	

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

S No.	Particulars	Shareholding as at 1st April 2014		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
NIL					

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

S No.	Particulars	Shareholding as at 01st April 2014		Date	Increase or Decrease	Reason	No of Shares	Cumulative Shareholding during the year (1st April 2014 to 31st March 2015)	
		No of Shares	% of total shares of the Company					% of total shares of the Company	% of total shares of the Company
1.	Bay Life Exports Limited	452500	9.39	Nil	Nil	Nil	452500	9.39	
2.	Rajani V	288900	6.00	Nil	Nil	Nil	288900	6.00	
3.	Varadarajan C. M.	245300	5.09	Nil	Nil	Nil	245300	5.09	
4.	A.Prathima	38010	0.79	Nil	Nil	Nil	38010	0.79	
5.	Uma Suresh	33400	0.69	Nil	Nil	Nil	33400	0.69	
6.	Jayaraman K	23000	0.48	Nil	Nil	Nil	23000	0.48	
7.	Venkatachalam V	15700	0.33	Nil	Nil	Nil	15700	0.33	
8.	Sathiamurthi R	14900	0.31	Nil	Nil	Nil	14900	0.31	
9.	MBFS Investments Pvt Ltd	14600	0.30	Nil	Nil	Nil	14600	0.30	
10.	Selvakumari V	10200	0.21	Nil	Nil	Nil	10200	0.21	

YKM INDUSTRIES LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Particulars	Shareholding as at 1st April 2014		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1.	Yerabhogha Meera Reddy Managing Director At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	2416460	53.82	NIL	NIL
	At the end of the year	2416460	53.82	NIL	NIL
2.	Yerabhogha MeeraReddy Prasanna Non-Executive Director At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	331610	7.39	NIL	NIL
	At the end of the year	331610	7.39	NIL	NIL
3.	Anbumani Neikkuppan Govindarajan Independent Director At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
4.	Loganathan Dhakshinamoorthy Independent Director At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

YKM INDUSTRIES LIMITED

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

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

YKM INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Ms. Yerabhagha Meera Reddy	Total Amount
1.	Gross Salary:	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
	- as % of profit		
	- Others, specify	NIL	NIL
TOTAL (A)			NIL

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. Yerabhagha Meerareddy Prasoona Non- Independent Director	Mr. Anbumani Neikkuppi Govindarajan Independent Director	Mr. Loganathan Dhakshinamoorthy Independent Director	
1.	Independent Directors				
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
2.	Total (1)	NIL	NIL	NIL	NIL
3.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
4.	Total (2)	NIL	NIL	NIL	NIL
5.	Total (B)=(1+2)	NIL	NIL	NIL	NIL
6.	Total Managerial Remuneration	NIL	NIL	NIL	NIL

YKM INDUSTRIES LIMITED

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Management Personnel	Total Amount
		NIL	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

YKM INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHYON CODE OF GOVERNANCE

The main aim of the concept of Corporate Governance is to create a balance which would result in long term value additions to the Investments of Shareholders while catering to the interests of employees, customers, suppliers, Government and public at large, which covers in its ambit the concept of Social responsibility of Corporates also.

The company is not required to comply with clause 49 of the listing agreement with effect from 01st October 2014 regarding corporate governance as per SEBI Circular dated September 15, 2014. However, the report is given for the year 2014-15 on a voluntary compliance basis.

2. BOARD OF DIRECTORS:

A. Composition of Board

The Present strength of the Board is 4. The Board comprises of 3 Non Executive Directors and an Executive Director. The composition of the Board of Directors of the Company is as follows:

Mr. Y. Meera Reddy - Managing Director - Executive Director

Mr. D. Loganathan - Non-Executive Director

Mrs. Y. M. R. Prasoona - Non-Executive Director

Mr. N.G. Anbumani - Non-Executive Director

The attendance particulars at the Board meetings and Annual General Meeting are as follows:

Name	Category	No. of Board Meetings Attended	Last AGM Attended	No of Directorships & Committee member in other Public Limited Companies	
				Directorships	Committee member
Mr. Y. Meera Reddy	Executive,	5	Y	3	-
Mr. D. Loganathan	Non Executive,	5	Y	1	-
Mrs. Y.M.R. Prasoona	Non Executive,	5	Y	4	-
Mr. N.G. Anbumani	Non Executive,	5	Y	1	-

YKM INDUSTRIES LIMITED

(1) Board Meetings were held during the year **2014 - 2015** and the dates on which the Board meetings were held were as follows: **28.05.2014, 30.07.2014, 12.08.2014, 31.10.2014, and 09.02.2015,**

The information as required under Annexure I to Clause 49 is being made available to the Board. None of the Non-executive Directors of the Company has any pecuniary relationship or transaction with the Company.

Mr.N.G.ANBUMANI has a master's degree in Commerce and has rich experience in business.

B. Board Procedure

The Company has convened **(FIVE) 5** Board Meetings during the Financial Year **2014-2015**. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any were sent to the Directors about one week to ten days before the Meeting. The Managing Director would give an overview of the performance of the Industry, in general and the Company, in particular.

The Board of Directors generally reviewed the following:

- Compliance with statutory and legal requirements.
- Adoption of quarterly un-audited financial results.
- Funding requirements and patterns of the Company.
- Proceedings of the Committee Meetings.

C. Remuneration to Directors

The Company is not paying Remuneration to Managerial Personnel due to insufficient profits.

3. AUDIT COMMITTEE

The Audit Committee had held Four Meetings during the financial year **2014 - 2015** on **28.05.2014, 30.7.2014, 31.10.2014, and 09.2.2015** and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Name of Members	No of Meetings attended during the year 2014 - 2015
Mr. D. Loganathan	4
Mr. Y. Meera Reddy	4
Mr. N. G. Anbumanu	4

YKM INDUSTRIES LIMITED

The necessary quorum was present at the meeting. **Mr. N. G. ANBUMANI** is Chairman of Audit Committee. The Audit Committee acts in accordance with the terms of reference specified by the Board. The representatives of the Statutory Auditors attended the audit committee meetings.

The Terms of reference of the Audit committee, broadly, are as under:

- ◆ To review the quarterly, half yearly and Annual financial results of the Company before submission to the Board
- ◆ To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.
- ◆ To review the accounting and financial policies and practices.
- ◆ To review the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- ◆ To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow - up action is taken.
- ◆ To examine the accountancy, taxation and disclosure aspects of all the significant transactions.

4. SHAREHOLDER'S COMMITTEE.

The Company is already having a Share Transfer Committee consisting of two directors Viz. Mr. N. G. Anbumani and Mrs. Y. M. R. Prasoona, as its members Mr. N. G. Anbumani, Director is the Chairman of the Committee. The committee has been renamed as Stakeholder's relationship committee as per provisions of Companies Act, 2013.

This Committee is also performing the functions of catering to the Shareholder grievances. The Company has not received any Complaints during the financial year **2014 - 2015**.

YKM INDUSTRIES LIMITED

Name, Designation and Address of Compliance Officer:

Mrs. Y.M.R.Prasoona, Director

No - 4, Jayalakshmipuram, 1st Street, Nungambakkam, Chennai - 600 034

No. of Complaints received from Shareholders from **01.04.2014 - 31.03.2015** - Nil

No. Not solved to the satisfaction of shareholders as on **31.03.2015** - Nil

No. of Pending Share Transfers as on **31.03.2015** - Nil

6. GENERAL BODY MEETINGS

The Date, location and time of the General Meetings of the Company held during last three years is given below:

Year	Date & Time	Place
2012	27.09.2012 10.00 A.M	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.
2013	27.09.2013 10.00 A.M	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.
2014	27.09.2014 10.00 AM	No. 4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai - 600 034.

Four (4) Special resolutions were passed in the AGM held on 25.09.2014 for the following matters.

- To delete the other objects clause of the Memorandum of Association.
- To amend liability clause of Memorandum of Association.
- To amend Capital Clause of Memorandum of Association.
- To adopt new set of Articles of Association of Company.

No special resolution was passed through postal ballot in the last year and neither there is any proposal to do so in the coming year.

YKM INDUSTRIES LIMITED

7. DISCLOSURES

- a) There are no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large, during the year. Transactions with related parties during the year are disclosed in the Notes forming part of the Accounts in the Annual Report.
- b) There are instances of notices received by the company for non submission of documents under various clauses of Listing Agreement by Bombay Stock Exchange which has been responded immediately by the company and the Company has not paid the Listing fees to the Madras Stock Exchange & Bangalore Stock Exchange since 2008-09.
- c) Company has in place an effective whistle blower mechanism and no personnel have been denied access to the audit committee.
- d) The company has taken all steps to implement the mandatory requirements of this clause and has incorporated certain non-mandatory requirements as well.

8. MEANS OF COMMUNICATION

The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the company are taken on record by the Board of Directors at its meeting within forty five days of the close of every quarter respectively and the same are furnished to all the stock Exchanges where the company's shares are listed.

Quarterly results of the company for the financial year **2014-2015** were published in the following newspapers viz. **Trinity Mirror** in English and the Tamil Version of the financial results in a Tamil daily viz. **Makkal Kural**

9. GENERAL SHAREHOLDER INFORMATION

a) Date, time and venue of the Annual General Meeting.	Date : 29.09.2015 Time : 10.45 A.M. Venue : No. 4, Jayalakshmpuram, 1st Street, Nungambakkam, Chennai – 600 034.
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YKM INDUSTRIES LIMITED

b) Financial Calendar	<p>Financial year – 1st April to 31st March Unaudited Financial Results: Quarter ending 30th June' - Before 14.8.2015 Quarter ending 30th Sept' - Before 14.10.2015 Quarter ending 31st Dec' - Before 14.02.2016 *Quarter ending 31st Mar' - Before 30.05.2016 * Audited results for the Financial Year 2015-2016 shall be published before end of September 2016.</p>
c) Date of Book closure	27.09.2015 to 29.09.2015 (All days inclusive)
d) Dividend payment date	No Dividend has been recommended.
e) Listing on Stock Exchange	Madras Stock Exchange Ltd Bombay Stock Exchange Ltd The Bangalore Stock Exchange
f) Stock Code	BSE Scrip Code - 531260, MSE Scrip Code - YKMINDUS
g) Market price Data	There has been no trading in the shares on any of the stock exchanges during the year under review and hence this data has not been provided.
h) Registrars and Transfer Agents.	GNSA INFOTECH LIMITED STA Department, Nelson Chambers, 4th Floor, F-block, No. 115, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
i) Share Transfer System	<p>The Company has constituted a Share Transfer Committee, which considers and approves the transfer and transmission etc., of shares in Physical mode.</p> <p>The Committee meets as and when required and approves all the pending share transfers, transmission etc., received during the intervening period which is in order.</p>

YKM INDUSTRIES LIMITED

j) Distribution of Share - holding as on 31.03.2014

i) On the basis of quantum of Shares held

Share of Nominal value of	Shareholders		Share Value	
	Number	% of total	Number Rs	%
Up to 5000	222	51.63	71,410	1.59
5001-10000	100	23.26	83,100	1.85
10001-20000	35	8.14	56,200	1.25
20001-30000	31	7.21	79,500	1.77
30001-40000	4	0.93	14,200	0.32
40001-50000	2	0.47	9,200	0.20
50001-100000	23	5.35	162,900	3.63
100001 & Above	13	3.02	4,013,390	89.39
Total	430	100.00	4,489,900	100.00

ii) On the basis of category of Shareholders

Category	No.of Shares	%
Promoters and Relatives	2876880	64.07
Financial Institutions	NIL	NIL
Foreign Holdings (FII/NRI/OCB)	NIL	NIL
Corporate Bodies	471700	10.51
Mutual funds	NIL	NIL
Indian Public	1141320	25.42
Total	4489900	100

k) Dematerialisation of shares and liquidity

The Shares of the Company are in compulsory demat system. The Company's securities are in Demat mode with ISIN INE332F01018.

No of shares which are in Physical mode - 575710

No of shares which are in Dematerialised Form in NSDL - 3914190

l) Outstanding GDR/ADR / Warrants or any convertible instruments, conversion date and likely impact on Equity.

The Company has not issued any GDR / ADR and the Company does not have any outstanding warrants or other convertible instruments.

m) Address for correspondence

Secretarial Department
YKM Industries Limited
No. 4, Jayalakshmiapuram, 1st Street,
Nungambakkam Chennai – 600 034.
Phone : 044 - 42113810, Fax : 044 28212494

10. CODE OF CONDUCT

A code of Conduct, duly approved by the Board, is communicated to all Directors and senior Management of the Company and affirmed by them as to its compliance on an annual basis.

YKM INDUSTRIES LIMITED

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement the Managing Director's Declaration on compliance of the Code of Conduct is given below :

To,
The Members of
YKM INDUSTRIES LIMITED

I, **Y. MEERA REDDY**, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct.

Place : Chennai
Date : May 28, 2015

Sd/-
Y. MEERA REDDY
CEO / Managing Director
DIN : 00591080

YKM INDUSTRIES LIMITED

CEO/CFO CERTIFICATION TO THE BOARD (Under Clause 49(V) of Listing Agreement)

I, Y. MEERA REDDY, Managing Director of YKM Industries limited, certify that -

- (a) I had reviewed financial statements and the cash flow statement for the year ended 31.03.2015 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and we I had evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I had disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

Y. MEERA REDDY
Managing Director
DIN:00628630

Place : Chennai
Date : 28.08.2015

YKM INDUSTRIES LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of corporate governance by **YKM INDUSTRIES LIMITED**, Chennai for the year ended on **31st March 2015**, as stipulated in clause 49 of the Listing Agreement entered into by the company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement except

- Non submission of certain documents to the Madras Stock Exchange & the Bangalore Stock Exchange in time.
- Non-payment of listing fee to Madras Stock Exchange & the Bangalore Stock Exchange

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **S DHANAPAL & ASSOCIATES**

Place : Chennai
Date : August 28, 2014

Sd/-
N. RAMANATHAN
(Partner)
Membership No.: 11084

YKM INDUSTRIES LIMITED

ANNEXURE D TO THE BOARD'S REPORT

CONSERVATION OF ENERGY

There was no Power & Fuel consumption during the year in your company.

RESEARCH AND DEVELOPMENT

During the year, your company has not carried out any Research & Development activities and the expenditures related to Research & Development are NIL.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

During the year, your company has not taken any steps to adopt any new technologies and has not enjoyed any benefits out of the latest technologies and innovations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Sl. No.	Particulars	Year ended 31.3.2015 (Rs.)	Year ended 31.3.2014 (Rs.)
1.	Foreign exchange earnings	NIL	NIL
2.	CIF Value of Imports	NIL	NIL
3.	Expenditure in foreign currency	NIL	NIL
4.	Dividend paid in foreign currency	NIL	NIL

For and on behalf of the Board of Directors

Sd/-
Yerabhagha Meera Reddy
Chairman & Managing Director
DIN : 00628630

YKM INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YKM INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of YKM Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules,2014..This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are require to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

YKM INDUSTRIES LIMITED

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section 11 of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, We report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

YKM INDUSTRIES LIMITED

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules,2014.
- e) On the basis of written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of section 164(2) of the Act and
- f) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company does not have any pending litigations as on the balance sheet date which would impact its financial position.
 - (ii) the Company does not have any long term contracts including derivative contracts as on the balance sheet date.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015.

For **Ganesh Venkat & Co.,**
Chartered Accountants,
Firm Registration No.005293S

Place : Chennai.
Date : May 28, 2015

Sd/-
L. S. Venkataraman
Partner
Membership No.024965

YKM INDUSTRIES LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in our Independent Auditor's Report to the Members of the Company on the financial statements for the year ended March 31, 2015)

- (i) The Company does not hold any fixed assets, thus paragraph 3 (i) of the Order is not applicable.
- (ii) The Company does not hold any inventory, thus paragraph 3 (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act, thus paragraph 3 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under Section 148(1) of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as

YKM INDUSTRIES LIMITED

at 31st March 2015 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no disputed aforesaid statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- c) According to the information and explanations given to us, there are no amounts which are required to be transferred to Investor Education and Protection Fund and hence this clause is not applicable for the year covered by our audit report.

(viii) The Company has accumulated losses at the end of the financial year and they are less than fifty percent of its net worth and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

(ix) As the Company does not have any borrowing from financial institution or bank nor it has issued any debenture as at the balance sheet date, thus paragraph 3(ix) of Order is not applicable.

(x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions during the year, for the loans taken by others, thus paragraph 3(x) of Order is not applicable.

(xi) The Company has not raised any term loans, thus paragraph 3(xi) of Order is not applicable.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Ganesh Venkat & Co.,**
Chartered Accountants,
Firm Registration No. 005293S

Place : Chennai.
Date : May 28, 2015

Sd/-
L. S. Venkataraman
Partner
Membership No. 024965

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED BALANCE SHEET AS AT 31ST MARCH 2015

I. EQUITY AND LIABILITIES:	Note	As at	
		2015	2014
		(Amount in Rs.)	
1. Shareholders' Funds			
(a) Share Capital	2.1	47,449,500	47,449,500
(b) Reserves & Surplus	2.2	(617,446)	(331,479)
2 Current Liabilities			
(a) Other Current Liabilities	2.3	42,423	24,719
	Total	46,874,477	47,142,740
II. ASSETS:			
1. Non-Current Assets			
(a) Non-Current Investments	2.4	100,000	100,000
(c) Deferred Tax Asset (Net)	-	1,329,097	1,201,219
(d) Long Term Loans and Advances	2.5	6,472	45,806,472
2. Current Assets			
(a) Cash and Cash Equivalents	2.6	45,438,908	35,049
	Total	46,874,477	47,142,740
III. Significant Accounting Policies	1		
Notes referred to above form an integral part of the financial statements			
As per our report of even date For Ganesh Venkat & Co. , Chartered Accountants Firm Registration No.005293S		For and on behalf of the Board of Directors	
L. S. Venkataraman Partner Membership No. 024965		Sd/- Y. Meera Reddy Managing Director DIN:00591080	Sd/- Y. M. R. Prasoona Director DIN:00591274
Place : Chennai. Date : May 28, 2015		Sd/- N. G. Anbuman Director DIN:02303791	

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED STATEMENT OF PROFIT AND LOSS

		Note	For the year ended 31st March	
			2015	2014
			(Amount in Rs.)	
I. INCOME:				
(a) Revenue from Operations	Total	-	-	-
		-	-	-
II. EXPENSES:				
(b) Other Expenses	Total	2.7	413,845	180,417
			413,845	180,417
III. Profit / (Loss) Before Tax		-	(413,845)	(180,417)
IV. Tax Expense				
- Current Tax		-	-	-
- Deferred Tax		-	127,878	55,748
V. Profit/(Loss) for the period		-	(285,967)	(124,669)
VI. Earning per Equity Share of Rs.10 each Basic and Diluted			(0.06)	(0.03)
VII Significant Accounting Policies		1		

Notes referred to above form an integral part of the financial statements

As per our report of eved date
For **Ganesh Venkat & Co.**,
Chartered Accountants
Firm Registration No.005293S

L. S. Venkataramanan
Partner
Membership No. 024965

Place : Chennai.
Date : May 28, 2015

For and on behalf of the Board of Directors

Y. Meera Reddy
Managing Director
DIN:00591080

Y. M. R. Prasoona
Director
DIN:00591274

N. G. Anbumani
Director
DIN:02303791

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED CASH FLOW STATEMENT

	Note	For the year ended 31st March	
		2015	2014
		Rs.	Rs.
Cash Flow from Operating Activities:		(413,845)	(180,417)
Net Profit / (Loss) Before Tax			
Adjustments for:			
Depreciation		-	-
Operating Profit Before Working Capital Changes		(413,845)	(180,417)
Adjustments for :			
Trade and Other Receivables		45,800,000	9,767
Trade and Other Payables		17,704	(586)
Net Cash from Operating Activities		45,403,859	(171,236)
Cash Flow from Investing Activities :			
Sale of Fixed Assets		-	57,000
Other Income		-	-
Net Cash Flow from Investing Activities		-	57,000
Cash Flow from Financing Activities :			
Net Cash Used in Financing Activities		-	-
Net Increase/Decrease in Cash & Cash Equivalents :		45,403,859	(114,236)
Cash & Cash Equivalents at the beginning of the Year		35,049	149,285
Cash & Cash Equivalents at the End of the Year		45,438,908	35,049
Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of eved date For and on behalf of the Board of Directors
 For **Ganesh Venkat & Co.,**
 Chartered Accountants
 Firm Registration No.005293S

L. S. Venkataraman
 Partner
 Membership No. 024965

Place : Chennai.
 Date : May 28, 2015

Sd/-
Y. Meera Reddy
 Managing Director
 DIN:00591080

Sd/-
Y. M. R. Prasoona
 Director
 DIN:00591274

Sd/-
N. G. Anbuman
 Director
 DIN:02303791

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-1:- Significant Accounting Policies

1.1 Basis for preparation of Financial Statements:

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles(GAAP) under the historical cost convention on the accrual basis in compliance with the mandatory accounting standards as prescribed under Section 133 of the Companies Act,2013 ('theAct') read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the companies Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting policies requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3 Retirement Benefits to Employees:

The Company does not have any employee and hence liability towards retirement benefit does not arise.

1.4 Investments:

Long Term Investments are stated at cost unless there is a permanent fall in the value. Provision for diminution is made to recognise a decline other than temporary in the value of Long Term Investments.

1.5 Deferred Tax:

Tax expense comprises of deferred tax. Deferred tax resulting from timing difference between book profit and tax profit for the year is accounted based on the rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. However deferred tax assets arising from timing difference are recognised to the extent of reasonable certainty about its realisability in future.

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-2 Notes on Financial Statements for the year ended 31st March 2015

	As at 31st March	
	2015	2014
	(Amount in Rs.)	
Note - 2.1		
Share Capital		
Authorised		
7000000 (7000000) Equity Shares of Rs.10/- each	70,000,000	70,000,000
Issued, Subscribed and Paid up		
4489900 (4489900) Equity Shares of Rs.10/- each fully paid-up	44,899,000	44,899,000
Add : Shares Forfeiture A/c	2,550,500	2,550,500
	47,449,500	47,449,500
Note - 2.1.1		
The details of shareholders holding more than 5% shares		
Name of the Shareholder		
Y. Meera Reddy	2416460(53.82%)	2416460(53.82%)
Y. M. R. Prasoona	331610(7.39%)	331610(7.39%)
Baylife Exports Ltd	452500 (10.08%)	452500 (10.08%)
V. Rajani	288900 (6.438%)	288900 (6.438%)
C. M. Varadarajan	245300 (5.46%)	245300 (5.46%)
Note - 2.2		
Reserves and Surplus		
Surplus in Statement of Profit & Loss		
Opening Balance	(331,479)	(206,810)
Add : Profit / (Loss) for the year	(285,967)	(124,669)
Closing Balance	(617,446)	(331,479)
Note - 2.3		
Other Current Liabilities		
Expenses Payable	42,423	24,719
	42,423	24,719
Note - 2.4		
Non-Current Investments		
Trade (Quoted)		
Investment in Equity Instruments		
100000 fully paid equity shares of Rs.10 each in	9,862,627	9,862,627
Wellness Noni Ltd	9,762,627	9,762,627
Less : Provision for diminution in value of investments	100,000	100,000

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Note-2 Notes on Financial Statements for the year ended 31st March 2015

	As at 31st March	
	2015	2014
	(Amount in Rs.)	
Note - 2.5		
<u>Long Term Loans and Advances</u>		
(Unsecured, considered good)		
Security Deposit	6,472	6,472
Advances to a Related Party	-	4,58,00,000
	6,472	45,806,472
 Note - 2.6		
<u>Cash and Cash Equivalents</u>		
Cash on Hand	18,852	23,967
Balance with Banks in current Account	45,420,056	11,082
	45,438,908	35,049
 Note - 2.7		
<u>Other Expenses</u>		
<u>-Administrative Expenses</u>		
Professional Charges	163,090	106,418
Payment to Auditors	55,056	30,899
Other Administrative Expense	195,699	43,100
	413,845	180,417

YKM INDUSTRIES LIMITED

YKM INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2015

2.8 Related Party Disclosures:

(i). Particulars of Associates:	Nature of Relationship
Name of the Related Party	
Sri Kausalya Constructions Limited	Associate Company

Transactions with the above related party are as follows:

Particulars	Total 2014-15	Total 2013-14
Property advances received back	45,800,000	200,000
<u>Outstanding Balances as at 31st March 2015</u>	-	45,800,000
Property advance paid		

2.9 Earning Per Share (EPS)

Profit/(Loss) as per Statement of Profit & Loss	2014-15	2013-14
Weighted No. of equity shares	(285,967)	(124,669)
EPS - Basic	4,489,900	4,489,900
	(0.06)	(0.03)

2.10 Auditors' Remuneration:

- Statutory Audit	2014-15	2013-14
- - Certification and Other Services	22,472	22,472

2.11 Based on available information with the company, there are no dues to micro, small and medium enterprises as defined in the micro small and medium enterprise development act, 2006.

2.12 Previous year's figures have been recasted / reclassified, wherever necessary, to conform to the current year's classifications.

2.13 Figures are rounded off to the nearest rupee.

As per our report of eved date For Ganesh Venkat & Co., Chartered Accountants Firm Registration No.005293S L. S. Venkataramanan Partner Membership No. 024965 Place : Chennai. Date : May 28, 2015	For and on behalf of the Board of Directors Y. Meera Reddy Managing Director DIN:00591080 N. G. Anbumani Director DIN:02303791	Sd/- Y. M. R. Prasoona Director DIN:00591274
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YKM INDUSTRIES LIMITED

PROXY FORM

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

YKM INDUSTRIES LIMITED

CIN : L05001TN1994PLC028263

Regd. Office : No.4, Jayalakshmpuram, 1st street, Nungambakkam, Chennai-600034
Email : scanet@skcl.co.in

21st Annual General Meeting - 29th September, 2015

Name of the member(s):

Registered Address :

Email Id :

Folio no./ :

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

Name: Email:.....

Address:.....

..... Signature.....

or failing him/her

Name: Email:.....

Address:.....

..... Signature.....

or failing him/her

Name: Email:.....

Address:.....

..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **21st Annual General Meeting** of the Company, to be held on the **29th September, 2015 At 10.45 A.M.** at No.4, Jayalakshmpuram 1st Street, Nungambakkam, Chennai - 600034 and at any adjournment thereof in respect of such resolutions as are indicated below:

YKM INDUSTRIES LIMITED

Resolution Number	Resolution	Vote (Optional, see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Business				
1.	To receive, consider and adopt the audited financial statements for the period ended 31st March, 2015 along with notes and schedules thereon as on that date and the reports of the Directors and Auditors thereon.			
2.	To ratify the Appointment of Auditors and fixation of their remuneration.			
3.	To appoint a Director in place of Mr.N.G. Anbumani who retires by rotation and being eligible offers himself for re-appointment			

Signed this..... day of 2015.

Affix Re.1/-
revenue
stamp of

Signature of shareholder

Signature of the proxy holder(s)

Notes:

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

It is optional to indicate your preference. If you have the for, against, or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

YKM INDUSTRIES LIMITED

ATTENDANCE SLIP

Venue of the meeting : No.4, Jayalakshmipuram, 1 St, Nungambakkam, Chennai-600034

Date & Time : 29th September, 2015 at 10.45 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Name	
Address	

I certify that I am the registered members for the registered shareholder of the Company. I hereby record my presence at the 21st Annual General Meeting of the Company held on the 29th September 2015 at 10.45 a.m. at No.4, Jayalakshmipuram 1st Street, Nungambakkam, Chennai-600034

Signature of Member / Proxy.

Note:

1. Electronic copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depositary Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.