

**LETTER OF OFFER**

**(THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION)**

**RASHTRIYA METAL INDUSTRIES LIMITED**

**CIN: U99999MH1946PLC005378**

**Registered Office:** 308–312, Meadows, Sir M.V. RD, Sahar Plaza Complex, J.B. Nagar, Andheri  
(East), Mumbai - 400059

**Tel. No.:** +91 9987433748

**E-mail:** [accounts@rashtriyametal.com](mailto:accounts@rashtriyametal.com)

**Website:** [rashtriyametal.com](http://rashtriyametal.com)

**Contact Person:** Mr. Balkrishna Binani, Managing Director

## Contents

Sr. No.	Particulars
1	Authority for the Buy-back
2	Schedule of Activities
3	Necessity for Buy-back
4	Process proposed to be adopted
5	Minimum and Maximum Buyback
6	Brief Information about the Company & Directors
7	Capital structure of the Company
8	Audited Financial results
9	Shareholding pattern
10	Capital structure post buy-back
11	Aggregate shareholding of the promoter group
12	Shares purchased and sold by the Promoter Group
13	Management Discussion on likely impact of the Buy-back on the Company
14	Statutory approvals
15	Declaration by Directors of the Company
16	Report from Auditors
17	Pre and Post Buy back Debt Equity Ratio
18	Miscellaneous Information.

A



A

**LETTER OF OFFER BY M/S. RASHTRIYA METAL INDUSTRIES LIMITED**  
**FOR**  
**BUYBACK OF 3,61,174 EQUITY SHARES OF RS. 10/- EACH OF THE COMPANY AT RS. 886/-**  
**PER SHARE ON PROPORTIONATE BASIS**

Dear Shareholders,

We are pleased to inform you that the Board of Directors of **M/s. Rashtriya Metal Industries Limited ("the Company")** have proposed a buy back of the equity shares of the Company from the existing shareholders on a proportionate basis on the terms and conditions mentioned in this letter of offer.

**1. AUTHORITY FOR THE BUY-BACK:**

The Buyback is in accordance with Article of Association of the Company, section 68 of the Companies Act, 2013 ('the Act') and subject to such other approvals, permissions and sanctions as may be necessary, from time to time, the Board of Directors of the Company have passed a resolution on **29<sup>th</sup> August, 2024** and the shareholders of the Company have passed a special resolution on **31<sup>st</sup> August, 2024** (enclosed as **Annexure A**) approving the terms of the scheme of the Buy-back of the Company's fully paid-up equity shares of face value Rs. 10/- per equity share from its existing shareholders on a proportionate basis on the terms and conditions stated in this letter of offer.

The Company hereby proposes to buy back a total of 3,61,174 Equity Shares of the Company ("Buy Back Shares") from its equity shareholders on a proportionate basis at a price not exceeding Rs. 886/- per equity share, for a total consideration of Rs. 32,00,00,164 (Rupees Thirty-Two Crores One Hundred and Sixty-Four Only) aggregating to not more than 25% of the paid-up share capital and free reserves of the Company as provided under Section 68 of the Companies Act, 2013.



**2. SECHULDE OF ACTIVITIES:**

Activity	Date	Day
Date of Board Meeting approving the proposal for the Buyback	29-08-2024	Thursday
Opening of the buyback offer	01-09-2024	Sunday
Closure of the buyback offer	16-09-2024	Monday
Completion of verification and finalization of the basis of allocation	17-09-2024	Tuesday
Acceptance/non acceptance to be intimated and return of rejected share certificates	18-09-2024	Wednesday
Open Special Bank Account	31-08-2024	Saturday
Deposit entire consideration to be paid to shareholders	18-09-2024	Wednesday
Dispatch of consideration	18-09-2024	Wednesday
Extinguishment of share certificates	18-09-2024	Wednesday

**3. NECESSITY FOR BUY-BACK:**

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the Members holding equity shares of the Company. The Company feels that the buyback is an effective mechanism for creating value for the shareholders of the Company.

**4. PROCESS PROPOSED TO BE ADOPTED:**

The Company proposes to buy back 3,61,174 Equity Shares of the Company from the existing shareholders of the Company on a proportionate basis through a private offer.

The shares offered under Buy-back on such a proportionate basis shall not be less than one.

Once the shares are tendered for Buy-back, the shareholder cannot withdraw his application. Non-receipt of any application from the shareholder indicating his intention or otherwise for offering shares under Buy-back, before the closure of offer will be deemed as not interested in the offer.



Buy-back from the non-resident shareholders will be subject to necessary approval of Reserve Bank of India ('RBI'), if required as per the Foreign Exchange Management Act, 1999 and Rules and Regulations framed thereunder. The offer will remain open for a period not exceeding 15 days from the date of opening of the offer.

Shareholders intending to tender their shares under Buy-back shall surrender their original physical share certificate(s) to the Company along with the designated application form for offering shares under Buy-back.

The Company shall verify the offers received from the shareholders within 7 days of close of offer and the shares so tendered will be deemed to be accepted unless a communication of rejection is made immediately, in any case within 21 days from the closure of offer.

The Company shall thereafter remit the payment to the shareholders whose shares are accepted under Buyback, within 7 days of the verification of the offer.

Nothing contained herein shall confer any right on the part of any shareholder to the offer, or any obligation on the part of the Company or the Board to Buy-back any shares and / or impair any power of the Company or the Board to terminate any process related to the Buy-back, if so permissible by law.

**5. MINIMUM AND MAXIMUM OF BUY BACK:**

The Company proposes to buy back a minimum of 1 Equity Share and a maximum of 3,61,174 Equity Shares from its shareholders, which is less than 25% of the total paid-up capital of the Company. The Company proposes to use the amounts relating to the credit of its free reserves of the Company. The maximum amount that will be utilized for the buyback of shares would be up to Rs. 32,00,00,164/- (Rupees Thirty-Two Crores One Hundred Sixty-Four Only).

**6. BRIEF INFORMATION ABOUT THE COMPANY & DIRECTORS:**

The Company was incorporated on 28<sup>th</sup> November, 1946, under the provisions of the Companies Act, 1956 under the name and style of "Rashtriya Metal Industries Limited" as a public Company limited by shares.

N



The present registered office of the Company is situated at 308-312, Meadows, Sir M.V. RD, Sahar Plaza Complex, J.B. Nagar, Andheri (E), Mumbai - 400059.

The Company is carrying on the business of iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, toolmakers, brass-founders, metal-workers, boiler-makers mill-wrights, machinists, iron and steel converters, smiths, wood-workers, builders. painters, metallurgists, electrical engineers, water supply engineers, gas-makers, carriers, and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery implements, rolling-stock, and hardware of all kinds. To carry on in India or elsewhere the business of manufacturers and industrialists, mill proprietors, engineers, founders and smelters, and manufacturers of and dealers and traders in ferrous, and nonferrous metals and alloys, and manufacturers, dealers and traders in machinery, machinery parts and stores of all kinds. To work mines or quarries and to find, win, get, work, crush, smelt, manufacture or otherwise deal with limestone, chalk, clay, ores, metals, minerals, oils, precious and other stones or deposits or products, and generally to carry on the business on mining in all branches and to do all such incidental acts and things as may be necessary for the attainment of aforesaid objects.

The Board of Directors of the Company as on the date are as under:

DIN	Name	Address	Designation	Date of Appointment
00175080	Balkrishna Binani	2, Birla House Compound, R/176, Birla Lane, Juhu, Mumbai - 400049	Managing Director	01/07/1971
00237339	Aparna Madhur Somani	Plot No. 3, Janki Kutir, Juhu Church Road, Juhu Mumbai - 400049	Director	08/09/2017
00014338	Anil Kumar Bagri	2103, Vivarea B, 21 <sup>st</sup> Floor, Sane Guruji Marg, Dr. A L Nair Marg, Jacob Circle, Mahalaxmi, Mumbai - 400011	Director	20/06/2019

2



00219548	Suresh Kumar Kishanlal Mundra	102, Pegasus, 15 <sup>th</sup> Road, Santacruz (West), Mumbai - 400054	Director	14/02/2022
----------	-------------------------------------	--	----------	------------

**7. CAPITAL STRUCTURE OF THE COMPANY AND SHAREHOLDING PATTERN:**

1. The capital structure of the Company is as mentioned below:

Particulars	As of 31 <sup>st</sup> March, 2024	
	Number of Shares	Amount (In Rs.)
<b>Authorised Capital:</b>		
Equity Shares of Rs. 10/- each	53,50,000	5,35,00,000
Preference Shares of Rs. 100/- each	2,00,000	20,00,000
<b>Issued, Subscribed and Paid-Up Equity Share Capital:</b>		
Equity Shares of Rs. 10/- each	45,13,012	4,51,30,120

2. Assuming full acceptance in the Buy-back the capital structure post Buy-Back would be as follows:

Particulars	Post Buy-Back	
	Number of Shares	Amount (In Rs.)
<b>Authorised Capital:</b>		
Equity Shares of Rs. 10/- each	53,50,000	5,35,00,000
Preference Shares of Rs. 100/- each	2,00,000	20,00,000
<b>Issued, Subscribed and Paid-Up Equity Share Capital: -</b>		
Equity Shares of Rs. 10/- each	41,51,838	4,15,18,380

**8. AUDITED FINANCIALS OF THE COMPANY:**

The audited financial statement of the Company for FY 31<sup>st</sup> March, 2024 is annexed hereto as Annexure B.



9. **THE SHAREHOLDING PATTERN OF THE COMPANY AS ON THE DATE OF THIS LETTER OF OFFER IS AS FOLLOWS:**

No	Category of security holders	Securities %
1	Body corporates	70.32%
2	Directors & relatives	28.40%
3	Other top fifty shareholders (other than mentioned above)	1.28%
<b>Total</b>		<b>100%</b>

10. The capital structure of the Company post buy back would depend upon the number of shareholders accepting this letter of offer ("Accepting Shareholders") and the number of shares tendered by them. The Company currently does not have any outstanding convertible instruments and therefore there would not be any outstanding convertible instruments post buyback.

11. **THE AGGREGATE SHAREHOLDING OF THE PROMOTER GROUP IN THE COMPANY IS AS UNDER:**

Sr. No.	Promoter	No of shares	Percentage of Shareholding
1	SPV Global Trading Limited	22,79,410	50.51%
2	Balkrishna Binani	12,62,079	27.96%
3	Binani Commercial Co LLP	5,43,475	12.04%
4	Pragdas Mathuradas (Bombay) LLP	3,47,292	7.70%
5	Shashi Binani	20,000	0.44%

12. The details of the Equity Shares Purchased or Sold by promoters for the last twelve months prior to the date of the board meeting at which the buy-back was approved:  
Not Applicable.

13. The management of the Company has held detailed discussions from time to time regarding the likely impact of the buy-back on the various facts of the Company. A synopsis of the aforesaid discussions is reproduced below for your reference:





- a) Since the Company has adequate liquidity to carry on its transactions in future, the resultant cash outflow due to the buy-back of the Company's shares is not likely to impair its operations. The buyback is expected to contribute to the overall enhancement of shareholder value.
- b) In the case of a buyback participation on a proportionate basis from the majority shareholders/persons in control, there would be no change in the management of the Company.
- c) In the case of buyback participation on a proportionate basis, there would be no resultant change in the promoter holdings in the Company.
- d) The Company is a public holding in the Company. The Company has no NRI holdings or FIIs etc.

14. The Company is not required to obtain any statutory approvals.

15. Mr. Balkrishna Binani and Mr. Suresh Kumar Kishanlal Mundra, Directors of the Company, have made a declaration stating that there are no defaults subsisting in repayment of deposit, loans redemption of debentures or preference shares or repayment of term to any financial institutions or banks. Further, the said Directors have also made a declaration stating that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion-

- a. As regards its prospects for the year immediately following the date of the letter of offer that, having regard to their intentions with respect to the management of the Company's business during the year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company will be able to meet its liabilities and will not be rendered insolvent within a period of one year from the date; and
- b. In forming their opinion for the above purposes, the directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 (including prospective and contingent liabilities).



A certified true copy of the aforesaid declaration is annexed hereto and marked as **Annexure C.**

16. The report of the auditors of the Company is also annexed to the declaration referred to in Clause 8 herein above. The report has been addressed by the auditors to the Board of Directors of the Company stating that:

- a) They have inquired into the state of affairs of the Company's in relation to its audited accounts for the year ended 31<sup>st</sup> March, 2024 which was approved by the Board of Directors of the Company at the meeting held on 21<sup>st</sup> May, 2024.
- b) The amount of permissible capital payment towards Buy Back of equity shares, has been properly determined in accordance with the provisions of Section 68 (2) (c) of the Act.
- c) The Board of Directors of the Company, in their meeting held on 29<sup>th</sup> August, 2024 have formed their opinion, as specified in clause (m) of Rule 17(1) of Companies (Share Capital and Debentures) Rules, 2014 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date and from the proposed date on which the results of the shareholders resolution with regard to the Buy Back are declared.

17. The debt: equity ratio of the Company post buy back would be as follows:

a)	Debt to capital and free reserves ratio allowed to company:	2:1
b)	Pre-buyback debt to capital and free reserve ratio:	0.18:1
c)	Expected post buy-back debt to capital and free reserve ratio:	0.21:1



**18. MISCELLANEOUS INFORMATION:**

We request you to kindly inform the Company, within 15 days of the date of this Letter of offer, whether or not, you wish to tender your shares for the buy back. If yes, kindly also state (i) the number of Equity Shares, that you propose to tender out of the total Buy Back Shares offered to you under this Letter of Offer and (ii) the additional number of Buy Back Shares out of the total Buy Back Shares, if any, that you may be further interested in tendering for the purposes of buy back. We request you to reply to this Letter of Offer in the form and content attached as **Annexure D** hereto. The shareholders can tender either part or entire holding. However, the acceptance would initially be the entire entitlement of the shareholder, and any additional acceptance would be based on the overall additional shares tendered by all the Eligible Shareholders.

If you intimate the Company within the said period of 15 days of your intention not to tender the equity shares held by you or if you fail to intimate the Company within the said period of 15 days or if you accept the offer but do not surrender your share certificates within the date of closure of offer in Clause 2 hereinabove, you shall be deemed to have refused the offer contained in this Letter of Offer in full or in part, as the case may be, in respect of the Shares offered to you and the Board shall be entitled to offer the un-tendered Shares to the Accepting Shareholders on a proportionate basis, but not exceeding the number of additional Shares proposed to be tendered by each shareholder. In the event any of the Accepting Shareholder tenders its shares after the date of the closure of the offer, the Company reserves the right to refuse acceptance of such shares.

If you have agreed to tender, in full or in part, as the case may be, the Shares offered to you, you may tender the share certificates held by you to the Company along with your letter of acceptance or within the time frame indicated in the offer letter.

The Company hereby undertakes that it shall immediately after the date of closure of the offer, deposit in the aforesaid bank account, such sum, as would make up the entire sum due and payable as consideration for the buy back.



Upon the Closure of the offer period, the Company shall, within 7 days thereof, complete the verification of the offers received from the Accepting Shareholders and the shares lodged shall be deemed to be accepted unless a communication of rejection is made to you within 7 days from the date of closure of offer.

The Company shall within 7 days of the verification of the offer make payment of the consideration in cash or bank draft/pay order/ remittance instruction to those shareholders whose offer has been accepted and the Company shall return the share certificates to those shareholders whose offer has been rejected in terms of offer letter.

The Company shall physically destroy the share certificates received from the Accepting Shareholders within 7 days of the date of acceptance of the shares.

The Directors of the Company hereby undertake that this Letter of Offer contains true, factual and material information and the Directors accept responsibility for the information contained herein.

If you have any queries or seek any clarifications, please do not hesitate to contact us.

Yours truly,

**FOR RASHTRIYA METAL INDUSTRIES LIMITED**

⊕

*BKBS*  
*M. Binani*

**Balkrishna Binani**  
**Managing Director**  
**DIN: 00175080**

**Date: 31<sup>st</sup> August, 2024**

**Place: Mumbai**

⊕

*AMS*  
*Aparna Madhur Somani*

**Aparna Madhur Somani**  
**Director**  
**DIN: 00237339**

**Date: 31<sup>st</sup> August, 2024**

**Place: Mumbai**



*nb*

To,  
The Board of Directors  
**Rashtriya Metal Industries Limited**  
308-312, Meadows, Sir M.V. RD,  
Sahar Plaza Complex, J.B.Nagar,  
Andheri (E), Mumbai - 400059

Dear Sir,

Re: Letter of offer dated 31<sup>st</sup> August, 2024 for buy back of Equity Shares of the Company:

Having read and understood the terms of the letter of offer dated 31<sup>st</sup> August, 2024 for buyback of Equity shares of Rashtriya Metal Industries Limited, "the Company", I, \_\_\_\_\_, holding \_\_\_\_\_ Equity Shares of the Company of Rs. 10/- each would like to tender \_\_\_\_\_ (\_\_\_\_\_ Only) Equity Shares of the Company.

Yours sincerely,

\_\_\_\_\_  
\_\_\_\_\_

**Date:**

**Place: Mumbai**

W



W