

Report of the Audit Committee of SPV Global Trading Limited (the 'Company') recommending the draft Composite Scheme of Arrangement between SPV Global Trading Limited ("Demerged Company"), RMIL Metal Industries Private Limited ("Resulting Company" or "Transferor Company") and Rashtriya Metal Industries Limited ("Transferee Company") and their respective Shareholders and Creditors at its meeting held on 4th November 2020

Present	
Mr. Yashwant Rajmal Jain	Chairman of the Meeting
Mr. Sanjay Gopallal Mundra	Member
Mr. Balkrishna Binani	Member

Invitees	
Mr. Deepak Patil	Chief Financial Officer
Mrs. Gurpreetkaur Munjani	Company Secretary

In Attendance,
Mrs. Gurpreetkaur Munjani, Company Secretary

In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('Circulars') and other applicable provisions, if any, and Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, a draft Composite Scheme of Arrangement between **SPV Global Trading Limited** ("Demerged Company"), **RMIL Metal Industries Private Limited** ("Resulting Company" or "Transferor Company") and **Rashtriya Metal Industries Limited** ("Transferee Company") and their respective Shareholders and Creditors (hereinafter referred to as the 'Scheme') was placed before the Audit Committee for its consideration and recommendation to the Board of Directors of the Company.

This report has been made by the Audit committee after perusing inter-alia the following documents:

1. Draft Composite Scheme of Arrangement, duly initialed by the Company Secretary of the Company for the purpose of identification.
2. Valuation report dated 2nd November 2020 from Nishant Soni & Associates, Registered Valuer.
3. Fairness opinion dated 3rd November 2020 with regard to the Valuation Report duly provided by Ladderup Corporate Advisory Private Limited, Merchant Banker.
4. Certificate obtained from the Statutory Auditors of the Company viz. M/s. S. S. Rathi & Co., Chartered Accountants on the compliance of accounting treatment prescribed in the Scheme.





SPV GLOBAL TRADING LIMITED

(Formerly Known as Tarrif Cine & Finance Limited)

CIN: L27100MH1985PLC035268

Regd. Off. : Ground Floor, Binani Bhavan 28/30, Anant Wadi, Bhuleshwar, Mumbai - 400 002.

• Tel : 2201 4001, • Fax: 2201 4003 • Email Id : spvglobaltrading@gmail.com, BSE CODE NO. 512221.
Website : www.spvglobal.in

A. RATIONALE AND BENEFITS OF THE SCHEME:

- i. No trading activity has been undertaken on BSE by any of the Shareholders of the Demerged Company. Therefore, notwithstanding the listing of equity shares of the Demerged Company, the shareholders of the Demerged Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hands, under the Scheme, they will have an option to opt for 10% Optionally-Convertible Non-Participatory Preference Shares of RMIL which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Demerged Company and will be assured of obtaining liquidity upon exercising the option of redemption of preference shares instead of conversion, as per the terms of such Preference Shares as mentioned in this Scheme.
- ii. Thus, through this Scheme, the Demerged Company is unlocking the value and creating liquidity avenues for the shareholders of the Demerged Company which is otherwise not possible due to thin trading on BSE.
- iii. Accordingly, upon the Scheme becoming effective, there will not be any adverse effect on the Shareholders of the Demerged Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- iv. Elimination of inter-company holdings and layering of investment and business operations;
- v. Improved business efficiencies with consolidation of trading and manufacturing activities of the Demerged Company relating to Copper and Copper Alloy Strips and the Transferee Company;
- vi. Achieve cost optimization and specialization for sustained growth;
- vii. Enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies; and
- viii. Enhancing shareholder value by creating leaner and focused organizations.

B. SALIENT FEATURES OF THE SCHEME:

1. "Appointed Date" shall mean the opening of the business hours as on 1st October 2020 or such other date as may be decided by the National Company Law Tribunal or any other appropriate authority as may be applicable;



2. "Effective Date" means the opening hours of the day on which the last of approvals/conditions specified in Clause 30 of the Scheme are obtained or complied with. Any references in the Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" or "upon the scheme becoming effective" shall mean the Effective Date;
3. "Record Date" means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company and the Demerged Company for the purpose of determining the shareholders of the Demerged Company who shall be entitled to receive Consideration under Clause 15, pursuant to the Scheme;
4. Upon the Scheme becoming effective and in consideration for this Scheme containing demerger of Demerged Undertaking into Resulting Company and without any further act, application or deed, immediate amalgamation of the Transferor Company into the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the Equity Shareholders of the Demerged Company (since the Resulting Company / Transferor Company would immediately be dissolved without being wound up and be amalgamated as on the effective date), whose name appears in the Register of Members/Shareholders of Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be,

For every 2 (Two) Equity Shares of the Demerged Company held by an Eligible Member, at the election of such Eligible Member by way of delivering the Election Notice and subject to the Share Exchange, either:

- *19 (Nineteen) fully paid-up Equity Share of the Transferee Company of Rs. 10/- (Rupees Ten) each at a face value of Rs. 10/- (Rupees Ten) each;*
 - or*
 - *104 (One Hundred and Four) fully paid-up 10% Optionally-Convertible Non-Participatory Preference Shares of the Transferee Company at Rs. 100/- (Rupees One Hundred only) each, which shall have a face value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 90/- (Rupees Ninety) per share.*
5. *In addition to issue of shares to the shareholders of Demerged Company above, upon Amalgamation of Transferor Company with the Transferee Company, the existing shareholders of the Transferor Company shall be issued and allotted 1 (One) Equity Share of Transferee Company of Rs.10/- (Rupees Ten) each fully paid up for every 77 (Seventy Seven) Equity Shares of Transferor Company of Rs.10/-(Rupees Ten) each fully paid up.*

In respect of fractional entitlement to a shareholder, shall be rounded off to the higher nearest integer i.e. whole number.



6. On effectiveness of the Scheme, 22,79,410 equity shares of Rs. 10/- each of the Transferee Company held by the Demerged Company, forming part of the Demerged Undertaking, shall without any application or deed, stand cancelled without any payments to the Demerged Company. This cancellation shall amount to reduction of the capital of the Transferee Company to this limited extent.

Further since the aforesaid cancellation of the shares is consequential, and a pre-requisite under the law and is proposed as an integral part of the Scheme, the same shall be effected as part of the order of the NCLT sanctioning the Scheme. In view of the specific explanation provided to the provisions of Section 230 of the Act, the Transferee Company shall not be required to undertake the compliance of Section 66 of the Act.

7. The Audit Committee reviewed the Valuation Report placed before it and noted the recommendations made therein. Further, the Fairness Opinion placed before the committee, confirmed that the Share Entitlement Ratio in the Valuation Report is fair to the shareholders of the Company.

C. RECOMMENDATION:

The Audit Committee having considered and taken note of the afore-mentioned draft Scheme and its rationale, objects and benefits, the Valuation Report, the Fairness Opinion, certificate on accounting treatment and other documents hereby recommends the same to the Board of Directors of the Company for favorable consideration and approval, and be filed with SEBI, the BSE Ltd. for their favorable consideration.

**BY ORDER OF THE AUDIT COMMITTEE
FOR AND ON BEHALF OF SPV GLOBAL TRADING LIMITED**

Yashwant
Jain

Digitally signed by Yashwant Jain
DN: cn=Yashwant Jain, o=SPV Global Trading Limited, email=yashwant.jain@spvglobaltrading.com, c=IN

Yashwant Rajmal Jain
Chairman of the Audit Committee meeting

Place: Mumbai
Date: 04th November 2020





Report of the Audit Committee of Rashtriya Metal Industries Limited (the 'Company') recommending the draft Composite Scheme of Arrangement between SPV Global Trading Limited ("Demerged Company"), RMIL Metal Industries Private Limited ("Resulting Company" or "Transferor Company") and Rashtriya Metal Industries Limited ("Transferee Company") and their respective Shareholders and Creditors at its meeting held on 04th November 2020

Present	
Mr. Balkrishna Binani	Chairman of the Meeting
Mr. Chandrakant Bhula	Member
Mr. Rameshwar Das Binani	Member

Invitees	
Ms. Priyanka Khandelwal	Company Secretary

In Attendance,

Ms. Priyanka Khandelwal, Company Secretary

In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ('Circulars') and other applicable provisions, if any, and Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, a draft Composite Scheme of Arrangement between **SPV Global Trading Limited** ("Demerged Company"), **RMIL Metal Industries Private Limited** ("Resulting Company" or "Transferor Company") and **Rashtriya Metal Industries Limited** ("Transferee Company") and their respective Shareholders and Creditors (hereinafter referred to as the 'Scheme') was placed before the Audit Committee for its consideration and recommendation to the Board of Directors of the Company.

This report has been made by the Audit committee after perusing inter-alia the following documents:

1. Draft Composite Scheme of Arrangement, duly initialed by the Company Secretary of the Company for the purpose of identification.
2. Valuation report dated 2nd November 2020 from Nishant Soni & Associates, Registered Valuer.
3. Fairness opinion dated 3rd November 2020 with regard to the Valuation Report duly provided by Ladderup Corporate Advisory Private Limited, Merchant Banker.
4. Certificate obtained from the Statutory Auditors of the Company viz. M/s. Dilip Kapadia & Co., Chartered Accountants on the compliance of accounting treatment prescribed in the Scheme.



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Ph.: (022) - 6278 3000 / 2832 3311 | Fax : (022) - 2836 6366 | E-mail : sales@rashtriyametal.com
CIN No. U10000MH1946PLC005378



A. RATIONALE AND BENEFITS OF THE SCHEME:

- i. No trading activity has been undertaken on BSE by any of the Shareholders of the Demerged Company. Therefore, notwithstanding the listing of equity shares of the Demerged Company, the shareholders of the Demerged Company have not really enjoyed the benefit of listing in particular, they have not enjoyed any liquidity in respect of their shareholding nor have they enjoyed any significant appreciation in value of their shares. On the other hands, under the Scheme, they will have an option to opt for 10% Optionally-Convertible Non-Participatory Preference Shares of RMIL which will effectively ensure that the shareholders are able to enjoy appreciation in value of investment held by the Demerged Company and will be assured of obtaining liquidity upon exercising the option of redemption of preference shares instead of conversion, as per the terms of such Preference Shares as mentioned in this Scheme.
- ii. Thus, through this Scheme, the Demerged Company is unlocking the value and creating liquidity avenues for the shareholders of the Demerged Company which is otherwise not possible due to thin trading on BSE.
- iii. Accordingly, upon the Scheme becoming effective, there will not be any adverse effect on the Shareholders of the Demerged Company. The Scheme will not in any manner be prejudicial to the interest of the concerned shareholders, creditors, employee or key managerial personnel or any stakeholder or general public at large.
- iv. Elimination of inter-company holdings and layering of investment and business operations;
- v. Improved business efficiencies with consolidation of trading and manufacturing activities of the Demerged Company relating to Copper and Copper Alloy Strips and the Transferee Company;
- vi. Achieve cost optimization and specialization for sustained growth;
- vii. Enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies; and
- viii. Enhancing shareholder value by creating leaner and focused organizations.

B. SALIENT FEATURES OF THE SCHEME:

1. "Appointed Date" shall mean the opening of the business hours as on 1st October 2020 or such other date as may be decided by the National Company Law Tribunal or any other appropriate authority as may be applicable;
2. "Effective Date" means the opening hours of the day on which the last of approvals/conditions specified in Clause 30 of the Scheme are obtained or complied with. Any references in the Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" or "upon the scheme becoming effective" shall mean the Effective Date;



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CIN No. U19999MH1946PLC005378





3. "Record Date" means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company and the Demerged Company for the purpose of determining the shareholders of the Demerged Company who shall be entitled to receive Consideration under Clause 15, pursuant to the Scheme;
4. Upon the Scheme becoming effective and in consideration for this Scheme containing demerger of Demerged Undertaking into Resulting Company and without any further act, application or deed, immediate amalgamation of the Transferor Company into the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the Equity Shareholders of the Demerged Company (since the Resulting Company / Transferor Company would immediately be dissolved without being wound up and be amalgamated as on the effective date), whose name appears in the Register of Members/Shareholders of Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be,

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- *104 (One Hundred and Four)) fully paid-up 10% Optionally-Convertible Non-Participatory Preference Shares of the Transferee Company at Rs. 100/- (Rupees One Hundred only) each, which shall have a face value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 90/- (Rupees Ninety) per share.*

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RASHTRIYA METAL INDUSTRIES LTD.



6. On effectiveness of the Scheme, 22,79,410 equity shares of Rs. 10/- each of the Transferee Company held by the Demerged Company, forming part of the Demerged Undertaking, shall without any application or deed, stand cancelled without any payments to the Demerged Company. This cancellation shall amount to reduction of the capital of the Transferee Company to this limited extent.

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7. The Audit Committee reviewed the Valuation Report placed before it and noted the recommendations made therein. Further, the Fairness Opinion placed before the committee, confirmed that the Share Entitlement Ratio in the Valuation Report is fair to the shareholders of the Company.

C. RECOMMENDATION:

The Audit Committee having considered and taken note of the afore-mentioned draft Scheme and its rationale, objects and benefits, the Valuation Report, the Fairness Opinion, certificate on accounting treatment and other documents hereby recommends the same to the Board of Directors of the Company for favorable consideration and approval, and be filed with SEBI, the BSE Ltd. for their favourable consideration.

BY ORDER OF THE AUDIT COMMITTEE
FOR AND ON BEHALF OF RASHTRIYA METAL INDUSTRIES LIMITED

Balkrishna
a Binani

Digitally signed by Balkrishna Binani
DN: cn=Balkrishna Binani, o=Rashtriya Metal Industries Limited, email=balkrishna@rashtriyametal.com, c=IN
Date: 2020.11.04 12:15:54 +05'30'

Balkrishna Binani
Chairman of the Audit Committee meeting

Place: Mumbai
Date: 04th November 2020



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