

Dated: December 8th, 2021

The Board of Directors Fund-Flow Investment & Trading Company Limited Temple Chambers 6, Old Post Office Street, Kolkata - 700001	The Board of Directors Jyotsana Investment Company Limited Temple Chambers 6, Old Post Office Street, Kolkata - 700001	The Board of Directors Kallol Investments Limited Temple Chambers 6, Old Post Office Street, Kolkata - 700001
The Board of Directors Subarna Plantation & Trading Company Limited Temple Chambers 6, Old Post Office Street, Kolkata - 700001	The Board of Directors Goneril Investment & Trading Company Limited Temple Chambers 6, Old Post Office Street, Kolkata - 700001	

Dear Sir,

Sub: Proposed Revised Scheme of Amalgamation of Fund-Flow Investment & Trading Company Limited ("Transferor Company 1"), Jyotsana Investment Company Limited ("Transferor Company 2"), Kallol Investments Limited ("Transferor Company 3"), Subarna Plantation & Trading Company Limited ("Transferor Company 4") into and with Goneril Investment & Trading Company Limited ("Transferee Company") with effect from 1st April 2020 ("Appointed Date").

Re: Fairness Opinion**1. PURPOSE:**

Please refer to the engagement letter dated August 20, 2020 and supplementary engagement letter dated November 30, 2021 appointing SKP Securities Limited ("SKP"), a SEBI Registered Category (I) Merchant Banker, to provide a Fairness Opinion on the recommendation of revised equity shares exchange ratio issued by Ms CA Vidhi Chandak, Registered Valuer ("**Valuer**") vide her report dated December 8, 2021 ("**Valuation Report**") in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Master Circular Number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Circular**"), for the proposed revised scheme of amalgamation of Transferor Companies with Transferee Company pursuant to sections 230-232 and other applicable provisions of the Companies Act, 2013 (hereinafter termed as "**Scheme**").



PRIVATE WEALTH | BROKING | DISTRIBUTION | INSTITUTIONAL EQUITIES | INVESTMENT BANKING

 NSE & BSE : INZ000199335 | NSDL & CDSL : IN-DP-155-2015 | Research Analyst : INH300002902
 MB : INM000012670 | PMS : INP000006509 | AMFI : ARN 0006 | CIN : L74140WB1990PLC049032

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The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2. BRIEF BACKGROUND OF THIS REPORT:

- (i) Fund-Flow Investment & Trading Company Limited ("Transferor Company 1") was incorporated on 25th November 1982, is listed on the Calcutta Stock Exchange Limited ("CSE"). It is presently carrying on the business of rendering of consultancy services and also deployed its surplus funds which are not immediately required in other investable instruments for the time being. Its CIN is L67120WB1982PLC035482 and the Permanent Account Number is AAACF4255H.
- (ii) Jyotsana Investment Company Limited ("Transferor Company 2") was incorporated on 10th May 1974, is listed on the Calcutta Stock Exchange Limited ("CSE"). It is presently carrying on the business of investment properties and also deployed its surplus funds which are not immediately required in other investable instruments for the time being. Its CIN is L67120WB1974PLC029417 and the Permanent Account Number is AABCJ2535P.
- (iii) Kallol Investments Limited ("Transferor Company 3") was incorporated on 8th December 1982, is listed on the Calcutta Stock Exchange Limited ("CSE"). It is presently carrying on the business of investment properties and also deployed its surplus funds which are not immediately required in other investable instruments for the time being. Its CIN is L67120WB1982PLC035533 and the Permanent Account Number is AABCK1570H.
- (iv) Subarna Plantation & Trading Company Limited ("Transferor Company 4") was incorporated on 1st June 1976 and is listed on the Calcutta Stock Exchange Limited ("CSE"). It is presently carrying on the business of rendering of management services and also deployed its surplus funds which are not immediately required in other investable instruments for the time being. Its CIN is L15491WB1976PLC030559 and the Permanent Account Number is AAEC8392J.
- (v) Goneril Investment & Trading Company Limited ("Transferee Company") was incorporated on 29th November 1982, is listed on the Calcutta Stock Exchange Limited ("CSE"). It's a Non Banking Finance Company duly registered with Reserve Bank of India and is currently engaged in investing and financing activities. Its CIN is L67120WB1982PLC035494 and the Permanent Account Number is AAACG9333K.



3. CAPITAL STRUCTURE:

- (1) The share capital of Transferor Company No. 1 as on March 31, 2020 is as follows:
Authorised Capital is Rs. 25,00,000 (Rupees Twenty Five Lacs Only) divided into 2,50,000 equity shares of Rs. 10/- each.
The issued, subscribed and paid up capital is Rs. 24,00,000 (Rupees Twenty Four Lacs Only) divided into 2,40,000 equity shares of Rs. 10/- each fully paid up.
- (2) The share capital of Transferor Company No. 2 as on March 31, 2020 is as follows:
Authorised Capital is Rs. 20,00,000 (Rupees Twenty Lacs Only) divided into 2,00,000 equity shares of Rs. 10/- each.
The issued, subscribed and paid up capital is Rs. 20,00,000 (Rupees Twenty Lacs Only) divided into 2,00,000 equity shares of Rs. 10/- each fully paid up.
- (3) The share capital of Transferor Company No. 3 as on March 31, 2020 is as follows:
Authorised Capital is Rs. 25,00,000 (Rupees Twenty Five Lacs Only) divided into 2,50,000 equity shares of Rs. 10/- each.
The issued, subscribed and paid up capital is Rs. 24,00,000 (Rupees Twenty Four Lacs Only) divided into 2,40,000 equity shares of Rs. 10/- each fully paid up.
- (4) The share capital of Transferor Company No. 4 as on March 31, 2020 is as follows:
Authorised Capital is Rs. 20,00,000 (Rupees Twenty Lacs Only) divided into 2,00,000 equity shares of Rs. 10/- each.
The issued, subscribed and paid up capital is Rs. 20,00,000 (Rupees Twenty Lacs Only) divided into 2,00,000 equity shares of Rs. 10/- each fully paid up.
- (5) The share capital of Transferee Company as on March 31, 2020 is as follows:
Authorised Capital is Rs. 1,00,00,000 (Rupees One Crore only) divided into 10,00,000 equity shares of Rs. 10/- each.
The issued, subscribed and paid up capital is Rs. 50,45,000 (Rupees Fifty Lacs Forty Five Thousand Only) divided into 5,04,500 equity shares of Rs. 10/- each fully paid up.

As on date, the authorized, issued, subscribed and paid-up capital of the Transferor Companies and the Transferee Company remains the same as stated hereinabove.



4. RATIONALE FOR THE SCHEME:

With a view to consolidate similar businesses under a single entity and to achieve simplified corporate structure by way of group reorganization, the management has envisaged to undertake the amalgamation of the Transferor Companies in the Transferee Company under this Scheme.

The amalgamation of Transferor Companies with the Transferee Company would inter alia have the following benefits:

- a) The scheme will help in achieving improved operational efficiency and optimum advantages and also synergy in operations by combining the business of the Transferor Companies with the Transferee Company ;
- b) The amalgamation will enable the Transferee Company to consolidate its line of business by restructuring and re-organizing its business activities and Capital Structure;
- c) The amalgamation will result in economy of scale including reduction in overhead expenses relating to management and administration in better and more productive utilization of various resources;
- d) The business of the Transferor Companies and Transferee Company can be conveniently and advantageously combined together and in general business of the Companies concerned and will be carried on more economically and profitably under the said Scheme;
- e) The said Scheme of Amalgamation will enable the establishment of a larger company with larger resources and a larger capital base enabling further development of the business of the Companies concerned. The said scheme will also enable the undertakings and business of the said applicant Companies to obtain greater facilities possessed and enjoyed by one large company compared with a number of small Company for raising capital, securing and conducting trade on favorable terms and other benefits;
- f) The said scheme will contribute in furthering and fulfilling the objects of the Companies concerned and in the growth and development of these businesses;
- g) The said scheme will strengthen and consolidate the position of the Transferee company and will enable the Transferee company to increase its profitability;
- h) The said scheme will enable the Companies concerned to pool their resources and to expand their activities;
- i) The said scheme will enable the Companies concerned to rationalize and streamline their management, business and finances and to eliminate duplication of work to their common advantages;
- j) The said scheme will have beneficial results for the Companies concerned, their shareholders, employees and all concerned.



5. SOURCES OF INFORMATION:

The valuation exercise has been considered as at September 30th, 2021 ('**Valuation Date**'). For the purpose of fairness opinion, we have relied upon the following sources of information -

- a) Memorandum and Articles of Association of the Transferee Company and the Transferor Companies.
- b) Audited financial statements of the Transferee Company and Transferor Companies for the financial years ('FY') ended March 31, 2019, March 31, 2020 and March 31, 2021 and 6 months period ended September 30, 2021.
- c) Draft of the proposed revised Scheme of Amalgamation between the Transferee Company and the Transferor Companies,
- d) Revised Equity Share Entitlement Ratio Report dated December 8th, 2021 issued by the Valuer and related workings.
- e) Such other information, documents, data, reports, discussions and verbal & written explanations from Transferors Companies and Transferee Company as well as advisors for proposed merger/ amalgamation, information available at public domain & websites as were considered relevant for the purpose of the Fairness Opinion.

6. EXCLUSIONS AND LIMITATIONS:

Our conclusion is based on the information furnished to us being, complete and accurate in all material aspects. We have relied upon the financials and the information and representations furnished to us and have not carried out any audit of such information.

We have not carried on any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

We assume no responsibility for updating or revising our opinion on the circumstances or events after the date hereof.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.



7. CONCLUSION:

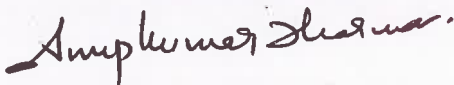
We have reviewed the methodology used by the Valuer for arriving at the share entitlement ratio for the amalgamation of the Transferor Companies with the Transferee Company and also reviewed the working and underlying assumptions adopted to arrive at the values, for the purpose of recommending the share entitlement ratio as per the Report submitted by the Valuer.

In light of the forgoing and subject to the exclusions and limitations as detailed hereinbefore, we hereby certify that the share exchange / swap ratio as given below, recommended by the Valuer, for the proposed amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferee Company would be fair and reasonable:

For Equity Shareholders of Transferor Company 1	25 equity shares of Rs 10/- each fully paid up of Goneril Investment & Trading Company Limited for every 64 equity shares of Rs 10/- each fully paid up held in Fund-Flow Investment & Trading Company Limited
For Equity Shareholders of Transferor Company 2	16 equity shares of Rs 10/- each fully paid up of Goneril Investment & Trading Company Limited for every 75 equity shares of Rs 10/- each fully paid up held in Jyotsana Investment Company Limited
For Equity Shareholders of Transferor Company 3	25 equity shares of Rs 10/- each fully paid up of Goneril Investment & Trading Company Limited for every 114 equity shares of Rs 10/- each fully paid up held in Kallol Investments Limited
For Equity Shareholders of Transferor Company 4	4 equity shares of Rs 10/- each fully paid up of Goneril Investment & Trading Company Limited for every 13 equity shares of Rs 10/- each fully paid up held in Subarna Plantation & Trading Company Limited

Yours Sincerely,

For **SKP Securities Limited**



ANUP KUMAR SHARMA

Head - Merchant Banking

SEBI REGN No.: INM000012670



Place: Kolkata