

JYOTSANA INVESTMENT COMPANY LIMITED**CIN: L67120WB1974PLC029417****Registered Office :****"Temple Chambers" 6, Old Post Office Street, 4th Floor, Kolkata-700 001****Phone No.: 033 2230-7373/2248-3854****E-mail : jyotsanainvestment@gmail.com Website : www.jyotsana.co.in**

**REPORT OF THE AUDIT COMMITTEE OF JYOTSANA INVESTMENT COMPANY LIMITED
RECOMMENDING THE DRAFT REVISED SCHEME OF AMALGAMATION OF FUND FLOW
INVESTMENT & TRADING COMPANY LIMITED, JYOTSANA INVESTMENT COMPANY LIMITED,
KALLOL INVESTMENTS LIMITED, SUBARNA PLANTATION & TRADING COMPANY LIMITED INTO
AND WITH GONERIL INVESTMENT & TRADING COMPANY LIMITED**

Members of the Audit Committee of the Board of Directors of Jyotsana Investment Company Limited present in the meeting of the said Committee held on 8th December 2021.

Members:

Mr. Avinash Kumar Gupta - Chairman
Mrs. Anita Himatsingka - Member
Mr. Dinesh Chandra Karmakar - Member

1. BACKGROUND

The Audit Committee at its meeting held on 8th December 2021, had considered and recommended to the Board of Directors, a draft of the 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**") (hereinafter referred to as '**Scheme**') pursuant to Sections 230-232, read with other applicable provisions of the Companies Act, 2013 ('**Companies Act**'). While recommending the Scheme, the Audit Committee had also considered the Valuation Report on Fair Exchange Ratio dated 8th December 2021 issued by Ms. CA Vidhi Chandak, Registered Valuer, Fairness Opinion Certificate dated 8th December 2021 issued by SKP Securities Limited, Merchant Banker and the Statutory Auditors Certificate dated 8th December 2021 relating to Accounting treatment of the scheme in adherence with the then provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Circular**").

2. NEED FOR THE PROPOSED SCHEME OF AMALGAMATION

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.

3. RATIONALE OF THE 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;



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- 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.

4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME

- a) It will help in achieving the operational efficiency by combining businesses of all Companies.
- b) It will help to carry the business more economically and in profitable manner.
- c) It will help to eliminate duplication of work and rationalize and streamline their business.
- d) It will help in cost reduction.
- e) It will help in pooling the resources and in expanding their activities.

5. IMPACT OF THE SCHEME ON THE SHAREHOLDERS

The Scheme is in the interest of the shareholders, creditors and employees of all the Companies and their stakeholders and would enable the Resulting Company to adopt a focused business approach for the maximization of benefits to the stakeholders. The Scheme shall not in any manner be prejudicial to the general public at large.

6. COST BENEFIT ANALYSIS OF THE SCHEME

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. The business can be conveniently and advantageously combined together and will be carried on more economically and profitably. This will also help in rationalizing and streamlining their management, business and finances and will help to eliminate the duplication of work to their common advantages.





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7. RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee after taking into consideration the need for the Proposed Scheme, Rationale, Synergies of business, Impact of the Scheme, Cost benefit analysis as referred hereinabove do hereby recommend that the scheme is not detrimental to the shareholders of the Company.

**For Jyotsana Investment Company Limited
JYOTSANA INVESTMENT CO. LTD.**


Avinash Kumar Gupta

Chairperson of the Audit Committee

DIN: 08763153

Place: Kolkata

Date: 8th December 2021