



TOWER INVESTMENT & TRADING CO. LTD.

CIN : L67120WB1981PLC033500

Registered Office :

'Temple Chambers' 6, Old Post Office Street, 4th Floor, Kolkata-700 001

Phone No.: 033 2230-7373/2248-3854

E-mail: tower_investment@yahoo.com Website : www.tower.net.in

REPORT OF THE AUDIT COMMITTEE OF TOWER INVESTMENT & TRADING CO. LTD. RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF KHATU INVESTMENT & TRADING COMPANY LIMITED AND NEW LOOK INVESTMENT (BENGAL) LIMITED WITH TOWER INVESTMENT & TRADING COMPANY LIMITED

Members of the Audit Committee of the Board of Directors of Tower Investment & Trading Co. Ltd. present in the meeting of the said Committee held on 25th August 2020.

Members:

Mr. Bijoy Kumar Sarkar - Chairman
Mrs. Anita Himatsingka - Member
Mr. Protul Dutta - Member

1. BACKGROUND

The Audit Committee at its meeting held on 25th August 2020, was requested to consider and recommend to the Board of Directors, a draft of the proposed scheme of amalgamation of Khatu Investment & Trading Company Limited (**Transferor Company 1**) and New Look Investment (Bengal) Limited (**Transferor Company 2**) with Tower 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'**) and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 (**"SEBI Circular"**).

This report of the Audit Committee is made to comply with the requirements of the Circular. The following documents were placed before the Audit Committee:

1. Audit Committee had, inter alia, considered and has taken on record following documents:

- Draft Scheme of Amalgamation;
- Valuation Report on Fair Share Exchange Ratio dated 25th August 2020, issued by Ms. CA Vidhi Chandak, Registered Valuer ("Valuer") has recommended the share exchange ratio;
- Fairness Opinion dated 25th August 2020, issued by SKP Securities Limited, Merchant Banker;
- Statutory Auditors Certificate dated 25th August 2020.

2. 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.

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

- 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;
- The amalgamation will enable the Transferee Company to consolidate its line of business by restructuring and re-organizing its business activities and Capital Structure;
- 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 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;
- 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;





TOWER INVESTMENT & TRADING CO. LTD.

CIN : L67120WB1981PLC033500

Registered Office :

'Temple Chambers' 6, Old Post Office Street, 4th Floor, Kolkata-700 001

Phone No.: 033 2230-7373/2248-3854

E-mail: tower_investment@yahoo.com Website : www.tower.net.in

- 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.

3. Recommendation of the Audit Committee

The Audit Committee after taking into consideration the draft Scheme, Valuation Report and the Fairness Opinion, as referred hereinabove do hereby recommend the draft scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchanges and SEBI.

For Tower Investment & Trading Co. Ltd.
TOWER INVESTMENT & TRADING CO. LTD.


Bijoy Kumar Sarkar
Chairperson of the Audit Committee
DIN:00849772

Place: Kolkata
Date: 25th August 2020