

**SCHEME OF ARRANGEMENT FOR DEMERGER
(Under Sections 230 to 232 of the Companies Act, 2013)**

BETWEEN

FRANKLIN INDUSTRIES LIMITED

AND

APHRODITE INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

FOR

**DEMERGER OF JEWELLERY DIVISION OF
FRANKLIN INDUSTRIES LIMITED**



PART-I

1. OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME

1.1 Brief Overview of the Companies

1.1.1 Franklin Industries Limited (FIL):

- (i) FIL is an existing listed public limited company registered under the provisions of the Companies Act, 1956 and having its registered office at 708, Scarlet Business Hub, Opp. Ankur School Near Mahalaxmi Panch Rasta, Fatehnagar, Paldi, Ahmedabad, Gujarat 380007. The CIN of FIL is L74110GJ1983PLC092054. The PAN of FIL is AACCM1898B.
- (ii) FIL is primarily engaged in two lines of business through separate divisions as follows:
 - (a) Jewellery Division - The company is engaged in Manufacturing trading of Gold and Silver Jewellery. This division works generally for the non-government sector.
 - (b) Agricultural Commodity Division - This Division of the Company is engaged in the Agro Business and Trading of Agricultural Commodity in Domestic Market. The Agricultural Commodity business is the core activity of the company.
- (iii) FIL was incorporated in the year 8th February, 1983.
- (iv) The Shares of the FIL are listed on the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited.

1.1.2 Aphrodite Industries Limited ("AIL")

- (i) AIL, the Transferee Company is an unlisted public limited company incorporated under the provision of the Companies Act, 2013 having its registered office at 421, 4th Floor, Swaminarayan Plaza, Nr. Gokulesh Petrol Pump, Aslali Road, Narol, Ahmedabad,



Gujarat - 382405. The CIN of AIL is U36990GJ2017PLC095948. The PAN of AIL is AAPCA2211D.

- (ii) AIL is carrying on the business of Manufacturing and Trading of Jewellery.
- (iii) AIL is incorporated in the year 23rd February, 2017.

1.2 Overview of The Scheme of Arrangement

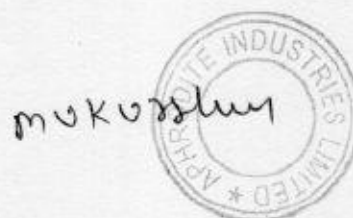
1.2.1 The Scheme contemplates demerger and transfer of the Jewellery Division (Demerged Undertaking) from FIL into AIL as a going concern in accordance with Sections 230-232 of the Companies Act, 2013 and in compliance with Section 2(19AA) of the IT Act, 1961 and In return AIL will issue and allot 50 (Fifty) Equity Share of Rs.10/- each credited as fully paid up ("New AIL Equity Shares") for every 100 (Hundred) Equity Shares of Rs.10/- each credited as fully paid up held by the shareholders of FIL (the entitlement ratio) as of the Record Date.

1.2.2 After the effectiveness of this Scheme, the Share Capital of AIL consisting of the fully paid-up New Equity Shares of AIL issued as consideration to the shareholders of FIL and the same shall be listed in future on the Bombay Stock Exchange in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March, 10, 2017/ SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 as amended from time to time.

1.3 Objects and Rationale of this Scheme:

1.3.1 This scheme of arrangement envisages demerger of Jewellery division of FIL in favour of another company namely AIL which is also a Jewellery Trading company.

1.3.2 FIL intends to develop/restructure its two businesses to achieve optimum growth and development of both the business separately and to have separate concentrated focus on both the Jewellery and Agricultural Commodity.



- 1.3.3 AIL is a newly incorporated company desirous of engaging in the business of Trading of Jewellery and is empowered by the objects clause of its Memorandum & Articles of Association to undertake the business of Trading of Jewellery. AIL is planning to expand its business operations and is desirous of expanding in various Jewellery activities. In future AIL will also go for listing.
- 1.3.4 The nature of risk and competition involved in both the Divisions of FIL are divergent and consequently each Division is capable of attracting different sets of investors. Moreover, the activities which have been so far carried out by FIL, have potential for growth and development, and require large infusion of funds and require undivided care and attention. Therefore, both the businesses need separate set of directions and investment for development, expansion and optimum growth of their respective businesses and maximization of shareholders' value.
- 1.3.5 Agricultural Commodity Trading carried out at Commodity Division is the core business of FIL which needs special attention of the Management to seize the new opportunities which this segment offers. To be competitive and maintain its market share in domestic, it is necessary to improve operational and administrative efficiency and create the requisite infrastructure for obtaining good business. The scheme for separation of Jewellery Division of FIL will lead to better and more efficient management of its core Agricultural Commodity activity having better focus and undivided attention in the best interests of its stakeholders.
- 1.3.6 The proposed scheme will enable AIL to undertake Jewellery business currently being carried out by FIL, under separate umbrella of management having greater focus and attention in an efficient manner. Furthermore, AIL will avoid the gestation period involved in acquiring and developing new ventures.
- 1.3.7 The proposed scheme will enable AIL to effectively raise financial resources through equity and debt capital on the basis of financial assets for better operation and greater realization of the potential of AIL Jewellery business.



- 1.3.8 In view of the aforesaid and in order to develop / restructure the business carried on a stand-alone basis without encumbering the Commodity business of FIL, it is considered desirable and expedient to reorganize and reconstruct FIL by transferring the Jewellery Division to AIL.
- 1.3.9 The scheme will have beneficial results for both the companies, their shareholders and all concerned.



1.4 DEFINATIONS

For the purpose of this scheme, the following expressions shall, have the following meaning unless repugnant to the meaning or context thereof:

- 1.4.1 "Act"** means the Companies Act 2013 or any statutory modification or re-enactment thereof for the time being in force.
- 1.4.2 "Appointment Date"** means the first day of April, 2021 or such other date as the National Company Law Tribunal at Ahmedabad may direct or approve.
- 1.4.3 "Board" or "Board of Directors"** in relation to each of the companies, as the case may be, means the board of Directors of Such Company and unless it is repugnant to the context, includes a duly authorized committee of Directors.
- 1.4.4 "FIL" or "Transferor Company"** shall mean Franklin Industries Limited, A Company incorporated under the provisions of the Companies Act, 1956 and having its Registered office at 708, Scarlet Business Hub, Opp. Ankur School Near Mahalaxmi Panch Rasta, Fatehnagar, Paldi, Ahmedabad, Gujarat 380007.
- 1.4.5 "AIL" or "Transferee Company"** Shall mean Aphrodite Industries Limited, A Company Incorporated under the Provision of the Companies Act, 2013 and having its Registered office Situated at 421, 4th Floor, Swaminarayan Plaza, Nr. Gokulesh Petrol Pump, Aslali Road, Narol, Ahmedabad, Gujarat - 382405.
- 1.4.6 "Effective Date"** means the date or the last dates on which the certified copy of the order of the National Company Law Tribunal at Ahmedabad sanctioning the scheme are filed with the Registrar of the Companies, Gujarat by FIL and AIL.
- 1.4.7 "Agricultural Commodity Division of FIL"** means the division involved in Agro business and trading of Agricultural Commodity in the Domestic Market.



1.4.8 "Jewellery Division" means business of Manufacturing and Trading of Gold and Silver Jewellery in domestic market. More fully and particularly comprising of the following:

- (a) i) All properties and assets, whether movable and immovable, tangible or intangible, real and personal, corporeal and incorporeal, in possession of FIL or in reversion, present and contingent of whatever nature, wheresoever situated including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, all plant and machinery, electrical installation, computers, equipment, furniture, whether leased or otherwise; and
- ii) All investments in quoted and unquoted shares, bills of exchange, deposits and loans & advances including interest thereon and other assets as appearing in the books of accounts of FIL; and
- iii) All rights, powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, permits, quotas, patents, trademarks, liberties, easements and advantages, of whatever kind, nature or description held, applied for or as may be obtained hereafter together with the benefit of all contracts and engagements and all books, papers, documents and records, as appearing in the books of FIL; and
- iv) All debts, borrowings and liabilities, present or future, whether secured or unsecured, sundry creditors and other statutory or non-statutory liabilities including provisions for taxes, duties, liability towards gratuity and leave encashed for employees; and
- v) Proportionate Reserves & Surplus (in proportion to net assets transferred) as appearing in the Books of FIL as on the date immediately preceding the appointed date,



details of which as on 31st March 2021 are appended vide Schedule I to the Scheme.

- (b) without prejudice to the generality of sub-Clause (a) above, the Jewellery Division of the Transferor Company shall include all the movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements, guarantees, deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or control of the Transferor Company;

1.4.9 "Record Date" Shall mean the date fixed by the respective Board of the Transferor Company and Transferee Company for the purpose of determining the Shareholders of the Transferor Company to whom the Transferee Company shares shall be allotted under this Scheme.

1.4.10 "Scheme" shall mean this scheme of arrangement for demerger of Jewellery division of FIL with another group company AIL under Section 230 to 232 of the Act in the present form or with such modifications as sanctioned by the National Company Law Tribunal at Ahmedabad.

1.4.11 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.



PART - II

2 CAPITAL STRUCTURE

The authorized, issued, subscribed and paid up share capital of FIL as on 31st March 2021 are as follows:

(i)	FIL	
	A. Authorised Share Capital	Amount (Rs.)
	36,15,000 Equity Shares of Rs.10/- Each	3,61,50,000/-
	B. Issued, Subscribed and Paid-up Share Capital	
	36,15,000 Equity Shares of Rs.10/- Each	3,61,50,000/-

The Equity Shares of FIL are listed on the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited.

The authorized, issued, subscribed and paid up share capital of AIL as on 31st March 2021 are as follows:

(ii)	AIL	
	Authorised Share Capital	Amount (Rs.)
	48,00,000 Equity Shares of Rs.10/- Each	4,80,00,000/-
	Issued, Subscribed and Paid-up Share Capital	
	48,00,000 Equity Shares of Rs.10/- Each	4,80,00,000/-

The Shares of AIL are at present not listed on any stock exchange, whether in India or in any other Country



PART - III

3. DEMERGER OF JEWELLERY DIVISION

3.1 CONSIDARATION - ISSUE OF SHARES

3.1.1 Upon the Scheme becoming operative AIL shall, in consideration of the transfer and vesting of Jewellery Division, without further application, issue and allot shares on a proportionate basis to the shareholders of FIL as on the Record Date in the following ratio (the entitlement ratio).

Equity Shares-

50 (Fifty) Equity Share of Rs.10/- each credited as fully paid up ("New AIL Equity Shares") for every 100 (Hundred) Equity Shares of Rs.10 /- each credited as fully paid up held by them in FIL.

3.1.2 The AIL Equity Shares to be issued by AIL under Clause 4.1 shall, in all respects, rank pari passu with the existing shares of AIL and shall rank for dividends from the date of their allotment.

3.1.3 Fractional shares, if any, arising on allotment of New AIL Equity Shares by AIL shall be rounded off to the next nearest integer and issued and allotted to the shareholders of FIL by AIL.

3.1.4 Notwithstanding anything contained in Clause 3.1.1, AIL shall be entitled to discharge the consideration in respect of fractional entitlements of the Equity Shareholders of FIL either by way of issue of Equity shares in AIL as per the Entitlement Ratio provided in Clause 3.1.1 or by way of payment in cash to the extent of the fractional entitlements of the Equity Shares.

3.1.5 The shares allotted by AIL pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange i.e. BSE Limited.



3.2 TRANSFER OF THE JEWELLERY DIVISION

- 3.2.1 With effect from the Appointment Date, the Jewellery Division shall be transferred to AIL at its book value for all the estate and interest of FIL therein, subject however, to all charges, liens, lispendens, mortgages and encumbrances, if any, affecting the same or any part thereof specific to the Jewellery Division.
- 3.2.2 The transfer of the movable assets comprised therein shall be effected by FIL delivering possession of the same to AIL.
- 3.2.3 A statement of Assets relating to Jewellery Division as appearing in the books of account of FIL as on 31st March 2021 is set out in Schedule 1 hereto. The same shall be transferred to AIL in terms of this scheme at their said respective book values.
- 3.2.4 All debts, liabilities, duties and obligations of FIL relating to the Realty Division whether or not provided for in the books of accounts of FIL, whether disclosed or undisclosed in the Balance Sheet shall become the debts, liabilities, duties and obligations of AIL pursuant to the provisions of Section 232 of the Act. AIL undertakes to meet, discharge and satisfy the same to the exclusion of FIL and to keep FIL indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereof.
- 3.2.5 The Jewellery Division is to belong to and be vested in AIL at book values, without any further act or deed. The Jewellery Division would include investment in the form of securities comprising shares, Government Securities, Mutual Fund as defined under the Securities Contract (Regulations) Act, 1956 and as are augmented or added to during the time this scheme is pending for consideration of the NCLT, and shall be vested in AIL and/or deemed to be transferred or vested in AIL and shall become the property of AIL at book value, pursuant of the provisions of sections 230 to 232 of the Act and the transmission thereof in the name of AIL in pursuance to the provisions of sections 230 to 232 of the Act.



3.2.6 AIL shall, at any time after the vesting order passed under this scheme be entitled to get recording of the change in the legal title on the vesting of the said investments pursuant to the terms and conditions of the scheme and pursuant to the provisions of sections 230 to 232 of the Companies Act. FIL and AIL shall jointly and severally be authorised to execute any writings as are or may be required to remove any difficulties and carry out any formalities or compliance for the implementation of this scheme.

3.3 EMPLOYEES

There are Four permanent employees in the rolls of FIL specifically engaged in or in relation to the Jewellery Division who will be transferred to the Jewellery Division. Balance permanent employees in the rolls of FIL belong to the Agricultural Commodity Division as on the Appointed Date and accordingly shall continue to remain in the employment of FIL without any change in the terms and conditions of service.

3.4 LEGAL PROCESSINGS

All legal or other proceedings by or against FIL and relating to the Jewellery Division shall be continued and enforced by or against AIL. If proceedings are taken against FIL, FIL will defend on notice or as per advice of AIL at the costs of AIL. AIL will indemnify and keep indemnified FIL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

3.5 BUSINESS & PROPERTY IN TRUST AND CONDUCT OF NEW COMPANY BUSINESS

With effect from the Appointed Date and up to and including the Date on which this Scheme becomes operative:

- (a) FIL undertakes to carry on the business of its rights and obligations relating to Jewellery Division in the ordinary course of business and FIL shall be deemed to have carried on and to be carrying on all business and activities relating



to the Jewellery Division and on account of and in trust for AIL.

- (b) All profits accruing to FIL or losses arising or incurred by it relating to the Jewellery Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits or losses, as the case may be, of AIL.
- (c) FIL shall be deemed to have held and stood possessed of the assets so to be transferred to AIL under this Scheme for and on account of and in trust for AIL and, accordingly, FIL shall not (except with the prior written consent of AIL alienate, charge or otherwise deal with or dispose of the Jewellery Division or any part thereof except in the usual course of business.

3.6 SAVING AND CONCLUDED TRANSACTIONS

The transfer of Jewellery Division and the continuance of the proceedings by or against AIL shall not affect any transaction or proceeding already completed by FIL on and after the Appointed Date and prior to this Scheme becoming operative to the end and intent that AIL accept all acts, deeds and things done and executed by and/ or on behalf of FIL in relation to Jewellery Division as acts, deeds and things done and executed by and on behalf of AIL.

3.7 CONTRACTS, LICENCES, APPROVALS

On Effective Date:

- 3.7.1 all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Jewellery Division to which FIL is a party subsisting or having effect immediately before this Scheme becomes operative shall remain in full force and effect against or in favour of AIL, as the case may be and may be enforced as fully; and effectually as if instead of FIL, AIL had been a party thereto.
- 3.7.2 all permissions, approvals, consents etc. issued directly to FIL under any notification or government order or order of any competent



authority or local body in respect of the Jewellery Division shall stand transferred in the name of AIL or become applicable to it and AIL shall accordingly be entitled to avail benefits of and act upon the said consents and approvals, permissions, etc, as if the said consents approvals, permissions etc, were originally granted to AIL.

3.8 ACCOUNTING TREATMENT

3.8.1 In the books of FIL:

Upon the coming into effect of this Scheme with effect from the Appointed Date

- (a) All Assets relating to the Jewellery Division of FIL shall stand transferred at their respective book values to AIL.
- (b) Reserves and Surplus as on the day immediately before the Appointed Date, shall be apportioned between FIL and AIL in the same proportion in which net assets have been retained by FIL and net assets of the Jewellery Division being demerged and the allocated amounts shall stand transferred to AIL resulting in reduction of equal amount in the Books of FIL.
- (c) The book value of the assets as reduced by the amount of proportionate Reserves and Surplus relating to the Jewellery Division as per clause 11.1 (b) shall be further adjusted against Reserves & Surplus of FIL converting it into debit balance to be set off against future profits.

3.8.2 In the books of AIL:

Upon the coming into effect of this Scheme with effect from the Appointed Date

- (a) AIL shall record all the assets transferred to it in pursuance of this Scheme at their respective book values as appearing in the books of accounts of FIL immediately before the Appointed Date.



- (b) AIL shall record the proportionate amount of Reserves & Surplus as allocated and transfer to it in terms of clause no.11. 1(b) and shall be credited to General Reserve.
- (c) Pursuant to the proposed Demerger in accordance with the Scheme, the difference, if any, arising in the books of AIL between:
- (i) the aggregate of the face value of the equity share capital issued by AIL, in terms of clause 11.1 above; and
 - (ii) the amount representing the surplus of assets over liabilities of the Jewellery Division as reduced by the proportionate Reserves & Surplus of FIL recorded in its books of accounts, as per provisions of sub- clause 11.2.(a) & (b).

Shall be credited to Capital Reserve / Goodwill of AIL.

- (d) It is hereby clarified that pursuant to this Scheme, all transactions during the period between the Appointed Date and the Effective Date relating to the Jewellery Division of FIL would be duly reflected in the financial statements of AIL, upon the Scheme coming into effect.

3.9 NO CHANGES IN THE SHARE CAPITAL OF FIL

With effect from the Appointed Date and until the occurrence of the effective date FIL shall not make any change in its capital structure either by increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), or by decrease, reduction, reclassification, subdivision or consolidation, reorganization or in any other manner which would have the effect of reorganization of capital of FIL.



3.10 STATUTORY APPROVALS


On the approval of the Scheme by the Equity Shareholders of FIL and AIL, it shall be deemed that the said shareholders have also accorded all relevant consents under provisions of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable.

3.11 OPERATION OF BANK ACCOUNT

After this Scheme becomes operative, AIL shall be entitled to operate Bank Accounts relating to the Jewellery Division and realize all monies and complete and enforce all pending contracts and transactions in respect of the Jewellery Division in the name of FIL insofar as may be necessary until the transfer of rights and obligations of FIL to AIL under this Scheme is formally accepted by the parties concerned.



MUKUNDHAR



PART - IV

4. TAXES, MISCELLANEOUS AND GENERAL TERMS AND CONDITIONS

4.1 Upon this scheme becoming effective, the accounts of FIL and AIL, as on Appointed date shall be reconstructed in accordance with the terms of Part III of this Scheme. Each of FIL and AIL shall be entitled to revise and file their returns, wealth tax returns, TDS returns and other statutory returns as a result demerger and vesting of the Demerged Undertaking in AIL.

4.2 TAXES

4.2.1 The provisions of Part IV of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Part IV of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid section at a later date, including resulting from an amendment of law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall stand modified to the extent determined necessary AIL comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

4.2.2 Upon this Scheme becoming effective, the accounts of FIL and AIL as on the Appointed Date shall be reconstructed in accordance with this Scheme. FIL and AIL shall be entitled to revise and refile their respective income tax returns, TDS returns, and other statutory returns and shall also have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, consequent to implementation of this Scheme.

4.2.3 The Appointed Date shall be deemed to be the 'acquisition date' for all purposes, including for the purposes of accounts of FIL and AIL



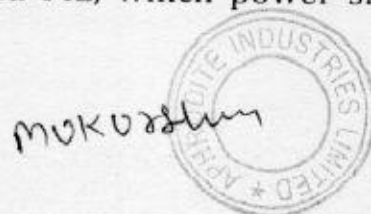
4.3 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- (i) the business pertaining to the Demerged Undertaking shall be deemed to have been carried on account of, and the properties and assets of Demerged Undertaking shall be deemed to have been held for and in trust for, AIL; and
- (ii) all profits or income arising or accruing to or received in regard to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be of AIL.

4.4 COMPLIANCE WITH TAX LAWS

- 4.4.1 Part III of this Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, specifically Section 2(19AA) of the Income-tax Act, 1961 and other relevant sections of the Income-tax Act, 1961.
- 4.4.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the tax laws shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, but subject to applicable laws, the power to make such amendments/modifications as may become necessary, whether before or after the effectiveness of the Scheme, shall vest with the Board of Directors of AIL and FIL, which power shall be



exercised reasonably in the best interests of the Scheme Entities and their shareholders, and which power can be exercised at any time.

4.5 EFFECTIVENESS OF THE SCHEME

4.5.1 This Scheme is conditional upon, and shall become effective on the happening of the last of the following ("Effective Date"):

- (i) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (if required) of each of the Scheme Entities as required under the 2013 Act;
- (ii) the Scheme being sanctioned by the jurisdictional Tribunal(s) and appropriate orders being passed by the Tribunal(s) pursuant to Sections 230 and 232 of the 2013 Act and other relevant provisions thereof, as applicable; and
- (iii) certified copies of the relevant Orders of the Tribunal(s) being filed with the Registrar of Companies, Ahmedabad by both FIL and AIL.

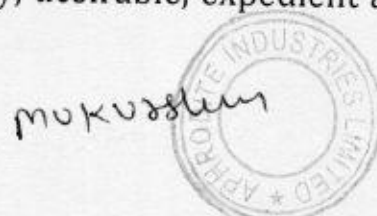
4.5.2 This Scheme shall become effective from the Effective Date, and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

4.6 APPLICATION TO NATIONAL LAW TRIBUNAL (NCLT)

FIL and AIL shall, with all reasonable dispatch, make necessary applications to the NCLT pursuant to Sections 230 and 232 of the Act, for obtaining sanction of this Scheme and shall apply for and obtain such other approvals, as required by law.

4.7 MODIFICATIONS TO THE SCHEME

The Board of Directors of FIL and AIL or any person authorized by them may assent to any alteration or modification to this Scheme which the NCLT and/or any other Authority may deem fit to approve or impose or which they said Board of Directors may, in their sole discretion, think fit and the Board of Directors may do all such acts, things and deeds as may be necessary, desirable, expedient and/ or



appropriate for the purpose of implementing this Scheme and/ or to settle any question, doubt or difficulty regarding the implementation of this Scheme or otherwise arising under this Scheme or in any manner connected therewith.

4.8 CONDITIONALITY OF SCHEME

This Scheme is conditional upon and subject to:

- 4.8.1 approval of this Scheme by the requisite majority of the members, as may be required of AIL and approval by the public shareholders of FIL through e-voting in terms of para 9(a) of Part 1 of Annexure I of SEBI circular no. CFD /DIL3/ CIR/ 2017 /21 dated March 10, 2017, /SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the scheme are more than the number of votes cast by the public shareholders against it.;
- 4.8.2 Sanction of the Scheme by the NCLT under Sections 230 and 232 and other applicable provisions of the Act;
- 4.8.3 such other sanctions and approvals, including sanctions of any governmental or regulatory authority, as may be required; and
- 4.8.4 The certified copies of the order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies, Gujarat. Accordingly, this Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the last of the dates on which the conditions referred to above have been fulfilled.

4.9 RECORD DATE

After this Scheme is sanctioned but before it becomes effective, the Board of Directors of FIL shall, in consultation with the Board of Directors of AIL, determine the record date ("Record Date") for the issuance and allotment of Equity Shares of AIL to the shareholders of FIL in terms of the Scheme and the direction of the Tribunal in this regard (if any). On determination of Record Date, FIL shall provide to AIL, the list of its shareholders as on such Record Date, who are



entitled to receive the Equity Shares in AIL in terms of this Scheme in order to enable AIL to issue and allot such Equity Shares to the shareholders of FIL.

4.10 BINDING EFFECT

Upon this Scheme becoming effective it shall be binding on the Scheme entities, their respective shareholders, creditors and all other stakeholders.

4.11 COSTS, CHARGES AND EXPENSES

All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto including those incurred during negotiations leading to the Scheme to be borne by FIL.

4.12 RESIDUAL PROVISIONS:

In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person.



Schedule-1

Statement of Assets & Liabilities of Jewellery Division as appearing in
Franklin Industries Limited as on 31.03.2021

Particulars	Jewellery Division (Rs.)
Non-current assets	
(a) Property, Plant and Equipment	21,47,660
(b) Intangible Assets	--
(c) Financial Assets	
(i) Investment	--
(ii) Loans	83,50,000
(iii) Other Financial Assets	--
(d) Deferred tax Assets (Net)	--
(e) Other Non-Current Assets	--
Total Non-Current Assets	1,04,97,660
Current Assets	
(a) Inventories	--
(b) Financial Assets	
(i) Trade Receivable	2,91,56,715
(ii) Cash and Cash Equivalents	10,157
(iii) Other Financial Assets	--
(c) Other Current Assets	15,349
Total Current Assets	2,91,82,221
Total Assets	3,96,79,881
EQUITY AND LIABILITIES	
Reserve and Surplus	--
Total Equity	--
Non Current Liabilities	
(a) Financial Liabilities	
(i) Borrowing	--
(ii) Other Financial Liabilities	--
(b) Provisions	--
Total Non Current Liabilities	--
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowing	--
(ii) Trade and Other payable	1,98,52,208
(iii) Other Financial Liabilities	--
(b) Other Current Liabilities	--
(c) Provisions	--
Total Current Liabilities	1,98,52,208
Total Equity & Liabilities	1,98,52,208
Difference	1,98,27,673



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