



To,  
The Board of Directors  
Franklin Industries Limited  
708, Scarlet Business Hub, Opp. Ankur School,  
Near Mahalaxmi Panch Rasta, Fatehnagar,  
Paldi, Ahmedabad, Gujarat 380007

To,  
The Board of Directors  
Aphrodite Industries Limited  
421, 4<sup>th</sup> floor, Swaminarayan plaza,  
Nr. Gokulesh Petrol Pump, Aslali Road, Narol  
Ahmedabad 382405 India.

**Sub: Fairness Opinion on Valuation Report on share exchange ratio between shareholders of Franklin Industries Limited ("Demerged Company") and Aphrodite Industries Limited ("Resulting Company") pursuant to Demerger of Jewellery Division of Franklin Industries Limited ("Demerged Undertaking").**

Dear Sir/Madam,

**1. ENGAGEMENT BACKGROUND**

We understand that an undertaking (Jewellery Division hereinafter referred to as "**Demerged Undertaking**") of Franklin Industries Limited (CIN: L74110GJ1983PLC092054), a listed company having its registered office at 708, Scarlet Business Hub, Opp. Ankur School Near Mahalaxmi Panch Rasta, Fatehnagar, Paldi, Ahmedabad- 380007 India. (hereinafter referred to as "**Demerged Company**" or "Franklin" or "FIL") is being demerged to Aphrodite Industries Limited (CIN: U36990GJ2017PLC095948) having its registered office at 421, 4<sup>th</sup> floor, Swaminarayan plaza, Nr. Gokulesh Petrol Pump, Aslali Road, Narol Ahmedabad 382405 India (hereinafter referred to as "**Resulting Company**" or "Aphrodite" or "AIL").

We further understand that the Valuation Report dated April 29, 2021 is prepared by Registered Valuer Mr. Vikash Goel (the "Valuer").

In connection with the aforesaid, you have requested our Opinion as to the fairness of the Valuation Report, as recommended by the Valuer.

**2. BACKGROUND OF THE COMPANIES**

**a. Franklin Industries Limited ("Franklin" or "FIL")**

- Franklin Industries Limited (CIN: L74110GJ1983PLC092054), a listed company having its registered office at 708, Scarlet Business Hub, Opp. Ankur School Near Mahalaxmi Panch Rasta, Fatehnagar, Paldi, Ahmedabad- 380007 India.
- Franklin is primarily engaged in two lines of business through separate divisions as follows:  
**Jewellery Division-** The company is engaged in Manufacturing, trading of Gold and Silver Jewellery. This division works generally for the non-government sector.  
**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.



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**FINSHORE MANAGEMENT SERVICES LIMITED**

(CIN : U74900WB2011PLC169377) ● Website : [www.finshoregroup.com](http://www.finshoregroup.com)

Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

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- The shareholding pattern of Franklin as on March 31, 2021 is as follows:

Description	No. of shares held	Percentage of holding
Promoters	0	0%
Public	36,15,000	100.00%
<b>Total</b>	<b>36,15,000</b>	<b>100.00%</b>

b. Aphrodite Industries Limited ("Aphrodite" or "AIL")

- Aphrodite Industries Limited (CIN: U36990GJ2017PLC095948) registered at 421, 4<sup>th</sup> floor, Swaminarayan plaza, Nr. Gokulesh Petrol Pump, Aslali Road, Narol Ahmedabad 382405 India.
- Aphrodite is engaged in carrying on the business of Manufacturing and Trading of Jewellery.
- The shareholding pattern of Aphrodite as on March 31, 2021 is as follows:

Description	No. of shares held	Percentage of holding
Promoters	22,70,000	47.29%
Public	25,30,000	52.71%
<b>Total</b>	<b>48,00,000</b>	<b>100.00%</b>

[source: Valuation report and information made available to us by the company]



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### 3. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Share Exchange Ratio:-

- a. Audited Annual Accounts of the Companies for FY 2019-20 and 2020-2021;
- b. Valuation report dated April 29, 2021 issued by Mr. Vikash Goel (Registered Valuer);
- c. Shareholding Pattern of the Companies as on March 31, 2021;
- d. AOA and MOA of Franklin and Aphrodite.
- e. Brief Overview of the Companies and its past & current operations;
- f. Management Representation dated April 29, 2021 containing various data, documents and information relating to the Companies;
- g. Other information provided, as well as discussions held with, the Management of the Companies and other key personnel regarding past, current & future business operations;
- h. Published & secondary sources of data, whether or not made available by the Companies.
- i. Such other necessary information as considered relevant.

### 4. THE SCHEME IS CONDITIONAL UPON THE FOLLOWING FACTORS:

- a. The Company obtaining the observation letter from the designated Stock Exchange for the implementation of the Scheme.
- b. The Scheme is subject to approval by the respective requisite majorities of members of the Company as required under the Act.
- c. The requisite disclosures under the applicable law as required under the SEBI Circular (CFD/DII3/CIR/2017/21) dated March 10, 2017 amendment to Para 7 by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by the SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, further by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 Dated December 22, 2020 and as amended from time to time "Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" and as may be required by law in respect of this Scheme will be made.
- d. The Scheme is subject to approval by the National Company Law Tribunal read with all other applicable provisions if any, of the Act or of such other authority having jurisdiction under applicable law, being obtained as applicable.
- e. The certified copy of the above order of the NCLT sanctioning this Scheme will be filed with the Registrar of Companies if applicable.





## 5. SCOPE AND LIMITATIONS/CAVEATS

- a. Our opinion and analysis is limited to the extent of review of documents as provided to us by Demerged and Resulting Company including the Valuation report by the Registered Valuer Mr. Vikash Goel dated April 29, 2021. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial statement relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged and Resulting Company, if any.
- b. In rendering our opinion, we have assumed that the Scheme of Arrangement for Demerger will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Arrangement, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.
- c. We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Arrangement nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- d. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Arrangement for Demerger provided to us and is not valid for any other purpose.
- e. Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Arrangement for Demerger and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- f. No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.
- g. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement for Demerger, if required or any matter related thereto.





- h. Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of Arrangement for Demerger, can be done only with our prior consent in writing.
- i. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of Arrangement for Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed Arrangement.
- j. Our opinion is restricted to the Fairness opinion on the valuation report given by the Registered Valuer as required under Circular No CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by the SEBI, further by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 Dated December 22, 2020 and as amended from time to time "Master Circular on (i) Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957".
- k. The fairness opinion is based on and is subject to the condition's precedent mentioned under Point 4 "The Scheme is conditional upon and subject to".
- l. We have no present or planned future interest in Franklin and Aphrodite and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
- m. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
- n. This Fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.





**6. OPINION**

With reference to above and based on information provided by Management and after discussions with the Registered Valuer, we understand that an undertaking (Jewellery Division) of Franklin Industries Limited is being demerged to Aphrodite Industries Limited and in return Aphrodite Industries Limited will issue and allot Equity shares to the shareholders of Franklin Industries Limited. The proposed demerger is driven by motive to achieve synergies through focused business segments and leverage on its operations for future growth.

*Considering above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the valuation report recommending the swap ratio for the proposed demerger and transfer of Jewellery Division from Franklin Industries Limited to Aphrodite Industries Limited and are of the opinion that following share exchange ratio –*

*Issuance of 50 (Fifty) Equity Shares of face value Rs.10/- each of AIL for every 100 (Hundred) Equity Shares of Rs.10/- each held by the shareholders of FIL. Fractional shares, if any, arising on allotment of shares shall be rounded off to the next nearest integer and issued and allotted to the shareholders of FIL by AIL. Balance, if any, may be settled by way of payment in cash to the extent of the fractional entitlements of the Equity Shares.*

*–as fair and reasonable to the equity shareholders of the companies.*

**For Finshore Management Services Limited  
SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185**

  
**S. Ramakrishna Iyengar  
Director**



**Place: Kolkata  
Date: April 29, 2021**