Walker Chandiock & Co LLP


To
The Board of Directors,
Britannia Industries Limited
Prestige Shanthinikethan, The Business Precinct,
Tower C, 16th & 17th Floor, Whitefield Main Road,
Bengaluru – 560048

1. This certificate is issued in accordance with the terms of our engagement letter dated 27 July 2020 with Britannia Industries Limited ('the Company').

2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 7 of the draft scheme of arrangement between the Company and its shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 05 October 2020, in terms of the provisions of the Securities and Exchange Board of India ('the SEBI') circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018 (and as further amended from time to time) ('the SEBI circulars'), Sections 230 to 232 of the Companies Act, 2013 ('the Act') and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. The Draft Scheme, as attached herewith in Appendix I, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the management/ Board of directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for ensuring that the Company complies with the requirements of Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued thereunder, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the National Company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as ‘the stock exchanges').

Auditor’s Responsibility

4. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 7 of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

7. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the Management, in our opinion, the proposed accounting treatment specified in clause 7 of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder and the applicable accounting standards and other generally accepted accounting principles in India but not directly addressed by the applicable accounting standards but is in compliance with other generally accepted accounting principles in India.

Restriction on use

8. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI circulars, Sections 230 to 232 of the Act, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for onward submission to the SEBI, the stock exchanges, and National Company Law Tribunal along with the Draft Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

9. This certificate is issued at the request of the Company’s management for onward submission to the SEBI, the stock exchanges, and National Company Law Tribunal along with the Draft Scheme. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 031076N/N500013

Aasheesh Arjun Singh
Partner
Membership No. 210722
UDIN: 20210122AAAABY7807

Bengaluru
05 October 2020
SCHEME OF ARRANGEMENT

BETWEEN

BRITANNIA INDUSTRIES LIMITED

AND

ITS MEMBERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

CERTIFIED TRUE COPY

For BRITANNIA INDUSTRIES LIMITED

Company Secretary
(A) PREAMBLE

This scheme of arrangement provides for (i) payment of dividend; (ii) issue of unsecured, non-convertible, redeemable, fully paid-up debentures by way of bonus to the Members (as defined hereinafter) of Britannia Industries Limited ("Company") by utilising the general reserve and/or balance in the profit and loss account (retained earnings) of the Company pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) ("Scheme"). This Scheme also provides for transfer of excess balance available in the General Reserves (as defined hereinafter) after utilising the same for the purpose of issue of Debentures (as defined hereinafter) as stated herein, to profit and loss account (retained earnings) of the Company and various other matters consequential thereto or otherwise integrally connected therewith.

(B) DESCRIPTION OF THE COMPANY

The Company is a public listed company incorporated under the Indian Companies Act, 1913, having its registered office at 5/1A, Hungerford Street Kolkata - 700017, West Bengal. The corporate identification number of the Company is L15412WB1918PLC002964. The Company was incorporated under the Indian Companies Act, 1913 on 21 March 1918 as a public limited (Non-government Company) company under the name, 'The Britannia Biscuit Company Limited'. The name of the Company was changed to 'Britannia Industries Limited' on October 3, 1979. The equity shares of the Company are listed on the Stock Exchange(s) (as defined hereinafter). The Company is engaged in the manufacture and sale of packaged food products.

(C) RATIONALE OF THE SCHEME

1. The Company has built up substantial Accumulated Profits (as defined hereinafter), over the years from its retained profits. The Accumulated Profits are well above the Company’s current and likely future operational needs. Further, barring unforeseen circumstances, the Company is confident of generating incremental cash over the next few years. Overall reserves position is expected to improve further even after considering cash requirements for the Company’s capex programme and working capital requirements. The Company expects to have reasonable liquidity position and also has adequate debt raising capability.

2. Further, upon taking into consideration the Company’s capability to generate strong cash flow and the Accumulated Profits being more than what is needed to fund the Company’s future growth, the Company is of the view that these excess funds can be optimally utilized to reward its members in such difficult and unprecedented times by way of distribution.

3. At the same time, in keeping with the Company’s philosophy of conservative cash management and being mindful of the challenging business environment, the Company is of the view that it would be prudent to retain liquidity in the Company. Accordingly, the Company has proposed, inter alia, to retain such funds amongst its members in such manner and to such extent, as the Board (as defined hereinafter), may decide, by means of fully paid up debentures by way of bonus and distribute dividends in terms of this Scheme by utilizing the Accumulated Profits (as defined hereinafter).

4. Even after issue of Debentures and payment of dividend in accordance with the Scheme, the Company would continue to have sufficient cash resources to discharge its liabilities towards its lenders and other stakeholders on time and in the ordinary course of its business.

The Scheme is in the best interests of the Members (as defined hereinafter) and other stakeholders of the Company.

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Bangalore

For BRITANNIA INDUSTRIES LIMITED

Company Secretary
PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. PART I deals with the definitions, interpretations and share capital of the Company;

2. Part II deals with the issue of Debentures as bonus and payment of Dividend; and

3. PART III deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT THIS SCHEME

1. DEFINITIONS

1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

"Act" means the Companies Act, 2013;

"Accumulated Profits" means the undistributed profits of the Company as reflected in the accounts of the Company, which have been built over the years and which forms part of the reserves and surplus of the Company. The reserves and surplus of the Company includes the accumulated profits available in the General Reserve as well the balance in profit and loss accounts (retained earnings);

"Applicable Law" or "Law" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; and (b) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"Appointed Date" means the Effective Date;

"Appropriate Authority" means:

(a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;

(b) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, RBI and the Tribunal; and

(c) Stock Exchanges.
"Board" or "Board of Directors" means the board of directors of the Company, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"Company" means Britannia Industries Limited, a company incorporated under the provisions of the Indian Companies Act, 1913, having corporate identification number L15412WB1918PLC002964 and its registered office at 5/1A, Hungerford Street Kolkata - 700017, West Bengal, India;

"Debentures" means unsecured, non-convertible, redeemable, fully paid-up debentures issued to the Members as on the Record Date, by way of bonus, out of the Accumulated Profits of the Company, pursuant to Clause 4.2 and in accordance with this Scheme. The principal terms and conditions of these Debentures have been set forth in Schedule 1 to this Scheme;

"Debenture Trustee" means a debenture trustee registered with the SEBI pursuant to SEBI (Debenture Trustee) Regulations 1993;

"Dividend" has the meaning ascribed to such term in Clause 4.2;

"Effective Date" means the day on which last of the conditions specified in Clause 11 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived.

Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;

"Escrow Account" has the meaning ascribed to such term in Clause 6.2.1;

FEMA Debt Regulations means the Foreign Exchange Management (Debt Instruments) Regulations, 2019;

"General Reserves" means and includes the reserve of the Company which has been built primarily through transfer of retained undistributed profits, pursuant to the provisions of the Act read with Companies (Declaration and Payment of Dividend) Rules, 2014 and erstwhile notified rules under the provisions of Companies Act 1956, namely, the Companies (Transfer of Profits to Reserves) Rules, 1975 and which forms a part of the reserves of the Company, as reflected in the accounts of the Company;

"Income Tax Act" shall mean the Income-tax Act, 1961, as may be amended or supplemented from time to time (and any successor provisions) together with all applicable by-laws, rules, regulations, orders, ordinances, policies, directions and similar applicable Laws or supplements issued thereunder;

"INR" or "Rs" or "Rupee(s)" means Indian Rupee, the lawful currency of the Republic of India;

"Member" means every person holding equity shares of the Company and the term "Members" shall be construed accordingly;

"Merchant Banker" means Category I merchant banker registered with SEBI under the SEBI (Merchant Bankers) Regulations 1992;
"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"RBI" means the Reserve Bank of India;

"Record Date" means such date as may be fixed by the Board of Directors of the Company after the approval of the Scheme, to determine the eligibility of Members to receive the Debentures and Dividend thereon;

"RoC" means the relevant jurisdictional Registrar of Companies having jurisdiction over the Company;

"Scheme" or "this Scheme" means this scheme of arrangement as modified from time to time;

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, and any amendments thereof, modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI LODR;

"SEBI Debt Regulations" means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time;

"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time;

"Stock Exchanges" means BSE Limited and the National Stock Exchange of India Limited, collectively;

"Tax" or "Taxes" means any and all taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied or leviable by reference to income, profits, book profits, gains, net wealth, asset values or otherwise and shall further include payments or amounts payable in respect of or on account of Tax whether by way of deduction at source, income tax, withholding tax, advance tax, minimum alternate tax, equalisation levy, dividend distribution tax, representative assessee tax, or otherwise including any sum of whatsoever nature leviable under the Income Tax Act and all penalties, charges, surcharge, cess, costs and interest in relation to the above; and

"Tribunal" means the Kolkata bench of the National Company Law Tribunal having jurisdiction over Company.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and vice versa;

1.2.2 reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision;

1.2.3 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
1.2.4 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.5 the words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital structure of the Company as on 30 September, 2020 is as follows:

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>AMOUNT IN RS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised share capital</td>
<td>500,000,000</td>
</tr>
<tr>
<td>500,000,000 equity shares of Rs. 1/- each</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up share capital</td>
<td>240,725,630</td>
</tr>
<tr>
<td>240,725,630 equity shares of Rs. 1 each</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>240,725,630</td>
</tr>
</tbody>
</table>

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Company until the date of approval of the Scheme by the Board of the Company.

The Company has outstanding employee stock options the exercise of which may result in an increase in the issued, subscribed and paid-up share capital of the Company.

2.2 The Accumulated Profits of the Company as on 31 March 2020 (last audited) is as follows:

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>AMOUNT (INR in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Reserve</td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the period/year (1 April 2019)</td>
<td>745.31</td>
</tr>
<tr>
<td>Addition / utilisation during the period/ year</td>
<td>148.43</td>
</tr>
<tr>
<td>Balance at the end of the period/year (31 March 2020)</td>
<td>893.74</td>
</tr>
<tr>
<td>Balance in the profit and loss account (retained earnings)</td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the period/year (1 April 2019)</td>
<td>3163.18</td>
</tr>
<tr>
<td>Add: Profit for the period/year</td>
<td>1484.30</td>
</tr>
<tr>
<td>Less: Appropriations</td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>360.48</td>
</tr>
<tr>
<td>Dividend Distribution Tax</td>
<td>61.79</td>
</tr>
<tr>
<td>Transfer to General Reserve</td>
<td>148.43</td>
</tr>
<tr>
<td>Issue of bonus debentures</td>
<td>720.95</td>
</tr>
<tr>
<td>Tax on bonus debentures</td>
<td>146.84</td>
</tr>
<tr>
<td>Transfer to debenture redemption reserve</td>
<td>180.24</td>
</tr>
<tr>
<td>Balance as at the end of the period/year (31 March 2020)</td>
<td>3028.75</td>
</tr>
</tbody>
</table>
3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 10 of this Scheme, shall become effective from the Effective Date.

PART II

ISSUE OF DEBENTURES AS BONUS AND PAYMENT OF DIVIDEND

4. ISSUE OF DEBENTURES AS BONUS AND PAYMENT OF DIVIDEND

4.1 The provisions of this Clause 4 shall operate notwithstanding anything to the contrary in this Scheme or in any instrument, deed or writing.

4.2 Upon the coming into effect of this Scheme, the Company shall:

4.2.1 issue and allot by way of bonus, 1 (one) fully paid-up Debenture of the face value of INR 29/- (Rupees Twenty Nine only) each, by utilizing its General Reserve, for every one (1) fully paid-up equity share of face value of INR 1/- (Rupee One only) each; and

4.2.2 pay dividend of INR 12.50/- (Rupees Twelve and Fifty Paise only) per every one (1) fully paid-up equity share of face value of INR 1/- (Rupee One only) each ("Dividend") by utilizing its Accumulated Profits.

4.3 The process of issuance of Debenture and payment of Dividend is set out in Clause 6.2 and Clause 6.3, hereunder.

4.4 The issuance of Debentures and payment of Dividend pursuant to Clause 4.2 of this Scheme will be treated as "dividend" under Section 2(22) of the Income Tax Act and shall be subject to applicable Taxes including but not limited to a Company withholding Taxes at the applicable rates as per Applicable Laws on the aggregate of the face value of Debentures allotted to the Members as well as the Dividend paid to the Members on the Record Date. However, such issue of Debentures and payment of Dividend in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Section 123 of the Act, and the provisions of the said section shall not be applicable.

4.5 The issuance of Debentures and payment of Dividend in terms of this Scheme in regard to any equity shares of the Company which are held in abeyance under the provisions of Section 126 of the Act or any other relevant provisions of the Act shall pending allotment or settlement of dispute by order of a court or otherwise and subject to applicable laws, be held in abeyance by the Company. In case any Member is ineligible by virtue of provisions of the Articles of Association of the Company, the Act, rules, regulations and guidelines formulated by SEBI or RBI or the provisions of any other applicable laws to hold, acquire or accept the Debentures, then such a Member is solely responsible for liquidating the Debentures and ensure compliance with such Applicable Laws.
5. TERMS AND CONDITIONS OF THE DEBENTURES

5.1 The Debentures shall be issued on the terms and conditions consistent with the principal terms and conditions which have been set forth in Schedule 1 to this Scheme and the Board of Directors are hereby authorised to formalise the detailed terms and conditions of the Debentures in accordance with Applicable Laws.

5.2 The Board of Directors shall appoint a Debenture Trustee. The role and responsibility of the Debenture Trustee shall be as set forth in the debenture trust deed ("Debenture Trust Deed") to be executed between the Company and Debenture Trustee. The approval of this Scheme by the Members in terms hereof shall be deemed as an irrevocable consent of each Member to the Debenture Trustee or any of its agents or authorised officials to do all acts, deeds and things necessary in respect of the effective implementation of the terms of Debentures in terms of the Debenture Trust Deed, and no further actions or affirmations will be necessary from the Members in this regard.

5.3 As soon as practicable after the issuance of the Debentures, the Company shall take necessary steps towards listing the Debentures on any of the Stock Exchange, subject to regulatory approvals, with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction outside India or listed on any stock exchange outside India.

6. PROCESS FOR DECLARATION OF DIVIDEND AND ISSUANCE OF THE DEBENTURES

6.1 In terms of Clause 4 of the Scheme, the per share distribution by the Company shall be an aggregate of the face value of Debenture in terms of Clause 4.2.1 and the Dividend in terms of Clause 4.2.2, which shall be issued or paid, as the case may be, subject to applicable Taxes (including deduction/withholding of Taxes) within a period of 30 (thirty) days from the Record Date to the Members eligible to receive the same, in the manner as set out below.

6.2 Issue of Debentures (in terms of Clause 4.2.1)

6.2.1 The Company shall transfer an amount equivalent to the aggregate amount of Debentures required to be issued in terms of this Scheme to a Merchant Banker appointed by the Company to act on behalf of the Members and also act as an agent and trustee of the Members. The Merchant Banker shall receive the aforesaid amounts in an on-shore escrow account opened for this purposes with a scheduled commercial bank in India ("Escrow Account") for and on behalf of and in trust for the Members. The aforesaid payment to the Merchant Banker shall be treated as "dividend" under Section 2(22) of the Income Tax Act and shall be subject to applicable Taxes (including deduction/withholding of Taxes). Such payment shall constitute a valid and proper discharge of the Company's obligation to make such payments to each Member in terms of the Scheme.

6.2.2 The Merchant Banker shall immediately after receipt of funds pursuant to sub-clause 6.2.1 above, pay to the Company the said funds (without any lien, hold-back or deduction of any nature whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures. The said payment for and on behalf of the Members by the Merchant Banker shall be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under this Scheme. Thus, the cost of acquisition of each Debenture in the hands of the Members shall be the face value of such Debenture.

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6.2.3 Upon receipt of the payment by the Company from the Merchant Banker in terms of sub-clause 6.2.2 above, for and on behalf of and as trustee of the Members entitled to Debentures, the Company shall proceed to issue and allot to the Members as on the Record Date, appropriate number of Debentures to which the concerned Member is entitled by virtue of his/her/its equity shareholding in the Company on the Record Date in the ratio stipulated in Clause 4.2 above.

6.2.4 The Debentures allotted to the Members pursuant to this Scheme shall be allotted in dematerialized form to the Members who are holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their demat account with a depository participant and who have provided such other confirmation and details as maybe required, by direct credit to the account of each Member. No letter of allotment shall be issued for the Debentures in such cases.

6.2.5 To the extent of any Member holding equity shares of the Company in physical form, the Company shall issue and allot Debentures in dematerialised form and keep the same in a separate suspense account specifically opened by the Company for the credit of such Debenture. Those Members who shall convert their physical shares into dematerialised form, can approach the Company for transfer of such Debentures held by the Company in the suspense account, as aforesaid, and the Company shall upon receiving such request transfer the same to the respective Member once such Member provides details of his/her/its demat account along with such other documents as may be required. The respective Members shall have all the rights of Members of the Company, including the right to receive interest and other corporate benefits, pending the transfer of Debentures.

6.3 Distribution of Dividend (in terms of Clause 4.2.2)

6.3.1 The Company shall transfer an amount equivalent to the aggregate amount of Dividend from its Accumulated Profits, in terms of Clause 4.2.2 of this Scheme to the Members, net of applicable Taxes in accordance with Clause 6.4 below.

6.4 Taxes

6.4.1 The issue of Debentures by the Company in terms of Clause 4.2.1 above and the payment of Dividend in terms of Clause 4.2.2 above shall be subject to applicable Taxes (including deduction/withholding of Taxes) and the Company shall transfer the amount of Dividend payable in terms of Clause 4.2.2 above to the Members subject to applicable Taxes (including deduction/withholding of Taxes) arising with respect to the entire distribution contemplated under Clause 4.2 above of the Scheme.

Any Taxes including deducted and/or withheld by the Company shall be considered towards the discharge of the Company's obligations under Clause 4.2 above and this Clause 6.

6.4.2 The Company shall deposit the applicable Taxes (including Taxes withheld/deducted) with the Appropriate Authorities within applicable timelines. The Company shall further on or before the Record Date publish on its website or may request the Members to share information, documents or any other details necessary for the purpose of deduction or withholding of Tax. For the sake of clarity, the issue of Debentures by the Company in terms of Clause 4.2.1 above and the payment of Dividend in terms of Clause 4.2.2 above shall be subject to applicable Taxes (including
deduction/withholding of Taxes) and any Taxes (including deduction/withholding of Taxes) shall be to solely to the account of respective Members.

6.5 It is clarified that in case of equity shares transferred to Investor Education and Protection Fund ("IEPF") pursuant to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") (including modifications and amendments thereof), the Debentures and the Dividend, shall also be credited to the IEPF's account or demat account in the name of IEPF subject to deduction/withholding of applicable Taxes and in compliance with Clause 6 above.

7. ACCOUNTING TREATMENT

7.1 The proposed issuance of Debentures and declaration of Dividend pursuant to the Scheme shall be reflected in the books of account of the Company in the manner as set out below:

7.1.1 An amount representing the aggregate amount of face value of the Debentures and cash Dividend payable shall be transferred, from the General Reserve and/or balance in profit & loss accounts (retained earnings) of the Company, as the case may be, to the Dividend Payable Account;

7.1.2 An amount representing the aggregate amount of face value of the Debentures shall be remitted to the Merchant Bankers (authorised representative of the Members) by debiting the Dividend Payable Account;

7.1.3 An amount representing Tax withheld on behalf of the Members (i.e. tax deducted at source) and payable by the Company in terms of this Scheme shall be transferred from the Dividend Payable Account of the Company to the Tax Payable Account;

7.1.4 The balance amount lying in the Dividend Payable Account with respect to 'cash dividend' payable to the members under this Scheme shall be remitted to the Shareholders;

7.1.5 An amount representing the tax payable by the Company as stated in Clause 7.1.3 shall be transferred from the Tax Payable Account to the Central Government Account (being payment of tax deducted at source on the aggregate amount of dividend declared);

7.1.6 The proposed investment of the aggregate amount of the face value of the Debentures by the Merchant Bankers (authorised representative of the Members) by receipt of such an amount into the bank account of the Company in terms of Clause 6 above, for and on behalf of the Members, shall be reflected in the books of account of the Company in the following manner:

(a) An amount representing the aggregate face value of the Debentures, transferred to the bank account of the Company by the Merchant Banker, being the payment for and on behalf of the Members towards subscription to the Debentures under this scheme, shall be debited to the bank account of the Company and credited to Debenture Subscription Account; and

(b) An amount representing the aggregate face value of the Debentures will be transferred from Debenture Subscription Account to Debentures liability account on issuance of debentures by the Company to its Members.
7.2 The excess of balance available in the General Reserves after utilising the same for the purpose of issue of Debentures as stated in Clause 4.2 above, as an integral part of this Scheme, with effect from the Effective Date would be transferred from General Reserves to the balance in profit and loss account (retained earnings) of the Company, without any further act or deed.

PART III

GENERAL TERMS & CONDITIONS

8. NON RESIDENTS

8.1 Regulation 6 of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 ("FEMA Debt Regulations") has permitted Indian companies to issue non-convertible redeemable debentures to non-resident members including by way of distribution as bonus from its general reserves under a scheme of arrangement approved by the Tribunal in India under the provisions of the Act, as applicable, subject to such terms and conditions as applicable. The allotment of the Debentures to the Members in terms of this Scheme shall be made in accordance with the provisions of FEMA Debt Regulations and accordingly the Company is not required to procure a specific approval from the RBI in regard to allotment of Debentures to non-resident Members. The Members shall be responsible for complying with the Applicable Laws, including their country of residence at the time of allotment and/or sale of Debentures and/or repatriation of money received from the sale of such Debentures and the Company shall not be responsible or liable for the same in any manner whatsoever.

8.2 In accordance with the regulations prescribed by SEBI and RBI, the Company shall take all necessary steps towards listing of the Debentures as prescribed under the Applicable Laws.

9. APPLICATIONS/PETITIONS TO THE TRIBUNAL

9.1 The Company shall make and file all applications and petitions under sections 230 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

10. MODIFICATION OR AMENDMENTS TO THIS SCHEME

10.1 The Board of the Company may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Company may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

10.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling and/or resolving all doubts, difficulties or questions that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme and such directions shall be binding as if the same were specifically incorporated in this Scheme.
11. CONDITIONS PRECEDENT

11.1 Unless otherwise decided (or waived) by the Company, the Scheme is conditional upon and subject to the following conditions precedent:

11.1.1 the Company having obtained no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

11.1.2 approval of the Scheme by the requisite majority of each class of Members of the Company and such other classes of Persons of the Company, if any, as applicable or as may be required under the Act, the SEBI Circular (including seeking approval of the shareholders of the Company through e-voting, as applicable) or as may be directed by the Tribunal;

11.1.3 the sanction and order of the Tribunal, under Sections 230 of the Act for approving the Scheme, being obtained by the Company; and

11.1.4 the certified copy of the order of the Tribunal approving the Scheme being filed with the Registrar of Companies, Kolkata.

12. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS AND SEVERABILITY

12.1 The Company shall be at liberty to withdraw the Scheme, any time before the Scheme is made effective.

12.2 The provisions of this Scheme are inextricably inter-linked with the other provisions of this Scheme and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety.

13. MISCELLNEOUS

13.1 This Scheme and issuance of Debentures hereunder is intended exclusively for the Members of the Company and does not constitute an offer or an invitation to the public to subscribe to the Debentures. Neither this Scheme, nor any related document shall be construed as an offer document or prospectus in any manner or for any purpose whatsoever.

13.2 Since the Debentures will be listed on either of the Stock Exchanges, the same shall be treated as exempt deposits as per provisions of Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 framed thereunder irrespective of whether there is a charge on the assets of the Company or not.

13.3 In the event of there being any pending share transfers/ entitlement of shares due to any reason, of any Member of the Company or any persons claiming shares through such member, including any transfer to IEPF pursuant to Clause 6.5 above or the orders/directions of any other Statutory authority, the Board of Directors shall be empowered in appropriate cases, prior to or even subsequent to the Record Date to effectuate such changes in the registered holder of such shares as if such changes were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the shares in the Company and in relation to the payment of Dividend and issuance of the Debentures after the effectiveness of this Scheme in terms of Clause 4 of the Scheme.
13.4 The existing provisions of the Income Tax Act provide that both Dividend and issuance of Debentures shall be taxed in the hands of the shareholders. In the event there is a change in the Income Tax Act whereby on the Effective Date, Tax on payment of Dividend and/or the issuance of Debentures is payable by the Company instead of the shareholders and/or there is a change in the applicable Tax rate (including withholding Tax rate) on payment of Dividend and/or issuance of Debentures, then the Debenture and/or Dividend amount may at the discretion of the Board be suitably adjusted and Board is empowered to make consequential amendments to the Scheme.

13.5 The borrowing powers of the Company shall be deemed to have been increased from INR 2000 crore to INR 5000 crore. It is hereby clarified that the consent of the Members to the Scheme shall be deemed as an approval of the Members under Section 180(1)(c) read with section 180(1)(a) or any other applicable provisions under the Act for increasing the borrowing limits of the Company, from INR 2000 crore to INR 5000 crore (together with right to pledge/hypothecate/mortgage and/or charge the assets, both movable and immovable to the extent of the aforementioned amount) without any further act or deed, and that no separate process would be required to be followed by the Company for increasing such borrowing limits.

13.6 All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any terms and conditions or any other provisions of the Law.

13.7 Nothing contained in this Scheme shall be construed restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its members whether during pendency of the Scheme or otherwise and the holders of the shares of the Company shall save as expressly provided otherwise in the Scheme, continue to enjoy their existing right, including the right to receive dividends, if any. It is clarified that this is an enabling provision only and shall not be deemed to confer any right on any member of the Company to demand or claim any dividend which, subject to the provisions of the Act shall be entirely at the discretion of the Board of the Company and subject to approval, of required, of the members.

13.8 This Scheme is an “arrangement” between the Company and its Members under Section 230 to 232 of the Act and does not envisage the transfer of vesting of any properties and/or liabilities as contemplated in Sections 230 to 232 of the Act. This Scheme does not involve any “conveyance” or “transfer” of any property/liabilities and does not relate to amalgamation or merger of companies in terms of sections 230-232 of the Act, and accordingly this Scheme and the order sanctioning this Scheme shall not be deemed to be a conveyance within the meaning of the Indian Stamp Act, 1899, as applicable to Kolkata (West Bengal), and therefore no stamp duty shall be payable on the Scheme and/or the order sanctioning this Scheme. However, stamp duty, if any, in regard to any instrument / deed / contract / Tribunal order pertaining to the issue and allotment of Debentures shall be paid by the Company as per Applicable Laws.

14. COSTS AND EXPENSES

All costs, charges including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, (including stamp duty) shall be borne by the Company.
### SCHEDULE I

**PRINCIPAL TERMS AND CONDITIONS OF DEBENTURE**

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>Britannia Industries Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of instrument</strong></td>
<td>Unsecured, non-convertible, redeemable, fully paid-up Debentures</td>
</tr>
<tr>
<td><strong>Issue Size</strong></td>
<td>Based on the total outstanding number of shares and shareholding of the Company as on the date of approval of the Scheme by the Board, the issue size is 24,07,25,630 Debentures of INR 29/- each amounting to INR 698,10,43,270. The actual issue size shall be determined based on the total outstanding number of shares and shareholding of the Company as on the Record Date</td>
</tr>
<tr>
<td><strong>Face Value/Principal</strong></td>
<td>INR 29/- per Debenture</td>
</tr>
</tbody>
</table>
| **Utilization** | The amount of subscription of Debentures will be utilised for:  
(i) Capital expenditure in new and/or on-going projects including, renovation & modernization;  
(ii) Refinancing for meeting the debt requirement in on-going projects and renovation & modernization, during recoupment of expenditure already incurred; and  
(iii) Working capital and other business purposes |
<p>| <strong>Interim Use</strong> | Pending utilisation of the subscription money for the purposes described above, the funds will be deployed in the manner as may be considered appropriate by the Company |
| <strong>Security</strong> | Debentures will be unsecured in nature |
| <strong>Ranking/Seniority</strong> | The claims of the Debenture holders shall rank pari passu to the claims of any unsecured creditors of the Company and shall be subject to applicable statutory and/or regulatory requirements |
| <strong>Listing</strong> | Proposed to be listed on the Stock Exchanges under SEBI Debt Regulations |
| <strong>Credit Ratings</strong> | To be obtained from a credit rating agency |
| <strong>Market Lot</strong> | One Bonus Debenture of INR 29/- each |
| <strong>Coupon Rate/Interest</strong> | The coupon rate per Debenture shall be as may be determined by the Board of Directors after the approval of the Scheme and prior to the date of allotment |
| <strong>Coupon Type</strong> | The coupon determined as per above methodology would remain fixed throughout the tenure of the Debentures |
| <strong>Coupon Payment Frequency</strong> | Annually i.e. at the end of each twelve (12) calendar month period from the date of allotment of Debentures on the unredeemed balance of each Debenture or if any such date is a holiday, the next working day |
| <strong>Depositories</strong> | National Securities Depository Limited and Central Depository Services (India) Limited |
| <strong>Redemption/Maturity</strong> | The Debentures shall be redeemed at face value on the third anniversary of the date of their allotment |</p>
<table>
<thead>
<tr>
<th>Taxation</th>
<th>The allotment, interest, principal, redemption amount of Debentures are subject to Taxes including any withholding / deduction as may be applicable in accordance with provisions of Income Tax Act as amended from time to time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debenture Trustee</td>
<td>A Debenture Trustee shall be appointed by the Board of Directors.</td>
</tr>
<tr>
<td>Lock in Period</td>
<td>There is no lock-in period for the Debentures.</td>
</tr>
</tbody>
</table>