

DCS/AMAL/SV/R37/1437/2018-19

The Company Secretary,  
**Britannia Industries Ltd.**  
5 / 1 A Hungerford Street,  
Kolkata, West Bengal, 700017

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement by Britannia Industries Ltd.**

We are in receipt of Draft Scheme of Arrangement by **Britannia Industries Ltd.** filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 22, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the information pertaining to Directors/Promoters of Britannia Industries Ltd., whose name are appearing in the SEBI ATR databases i.e Shri Ajay Shah, Shri Jehangir N Wadia and Shri Ness N Wadia, is disclosed in the scheme under the heading “action taken by SEBI/RBI” and the same is brought to the notice of shareholders and Hon’ble NCLT.”
- “Company shall ensure that the Scheme of Arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes by the public shareholders against.
- “Company shall ensure all debentures are issued in demat form only.”
- “Company shall ensure Credit rating of the debentures has been obtained.”
- “Company shall ensure that additional information/undertaking, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

However, the listing of Debentures of Britannia Industries Ltd. shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Britannia Industries Ltd. shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of Debentures of Britannia Industries Ltd. is at the discretion of the Exchange. In addition to the above, the listing of Debentures of Britannia Industries Ltd. pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

- 1) The NCDs proposed to be issued pursuant to the scheme will be issued only to the shareholders of the listed entity which has listed its specified securities on the Exchange.
- 2) The minimum tenure of the NCDs shall be one year
- 3) The NCDs proposed to be listed have been assigned such minimum credit rating as specified for public issue of NCDs in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as the case may be by a credit rating agency registered with the Board. Kindly also mention the actual rating obtained.
- 4) The valuation report has been prepared after considering the valuation of NCDs to be issued pursuant to the scheme.
- 5) The draft scheme contains all the disclosures, as specified under para 5(A)(V) of the SEBI circular CIR/IMD/DF/50/2017 dated May 26, 2017.
- 6) Company shall ensure the following for the proposed issue of NCDs under the scheme:
  - a) The captioned issue of NCDs is in compliance with all the applicable provisions of the Companies Act, 2013 including the provisions related to creation and maintenance of Debenture Redemption Reserve.
  - b) All such NCDs shall be issued in dematerialised form only.
  - c) The company has appointed/ shall appoint the Debenture Trustee in compliance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and Companies Act, 2013.
  - d) The company has created / shall create an appropriate charge or security, wherever applicable, in compliance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and Companies Act, 2013.
  - e) All the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 have been/ shall be complied with except the provisions related to making a public issue, or making a private placement, or filing of offer document, etc.
- 7) The following provisions shall be incorporated in the scheme:
  - i. "The Debentures allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Britannia Industries Ltd. between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitinkumar Pujari

Senior Manager

