The Board of Directors
Britannia Industries Limited
5/1A, Hungerford Street
Kolkata – 700 017

Statutory Auditor's Certificate certifying the accounting treatment contained in the Proposed Scheme of Arrangement in accordance with Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 October, 2018.

2. The Proposed Scheme of arrangement, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter the “Act”), of the Company and their shareholders (“Proposed Scheme”) contains the proposed accounting treatment, specified in Clause 5, for the issuance and allotment of secured, non-convertible, redeemable, fully paid-up bonus debentures out of the balance lying to the credit of profit & loss account of Britannia, approved by the Board of Directors of the Company at its meeting held on October 7, 2018.

Management's responsibility:

3. The preparation of the Proposed Scheme is the responsibility of the management of Britannia Industries Limited (hereinafter the “Company”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed 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 Proposed Scheme complies with the relevant laws and regulations, including the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under and other generally accepted accounting principles in India.

Auditor's responsibility:

5. Pursuant to the requirements of Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, our responsibility is to express reasonable assurance in the form of an opinion and report whether the accounting treatment of the Company contained in Clause 5 of the Proposed Scheme complies with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India. Our examination of the
Proposed Scheme was not planned and performed to assess whether the Proposed Scheme or any part thereof is in compliance with applicable laws and regulations and hence our report does not contain any opinion on the same.

6. For ease of references, Clause 5 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure to this Certificate and is initialed by us only for the purposes of identification.

7. We conducted our examination of the accounting treatment of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("the ICAI"). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion:

9. Based on our examination, as above, we are of the opinion that the accounting treatment contained in Clause 5 of the Proposed Scheme is in compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India, as applicable.

10. As required under the provisions of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached the "Auditor’s Certificate" to this certificate which has been provided at the request of the Company for the purpose of onward submission to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Securities and Exchange Board of India, Regional Director, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act with the National Company Law Tribunal, Bench of Kolkata and/or other concerned statutory authorities. The Management has represented that our previously issued certificates dated 12 November 2018 and 15 January 2019, have not been accepted by the National Stock Exchange of India Limited. Accordingly, a revised Auditor’s Certificate dated 31 January 2019 has been issued.

Restriction on use:

11. This certificate is addressed to and provided to the Board of Directors of the Company, at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Securities and Exchange Board of India, Regional Director, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act with the National Company Law Tribunal, Bench of Kolkata and/or other concerned statutory authorities. This Certificate should not be used by any other person or for any other purpose.
B S R & Co. LLP

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Arjun Ramesh
Partner
Membership No. 218495

Bangalore
Date: 31 January 2019
To,
The Board of Directors,
Britannia Industries Limited
5/1A Hungerford Street
Kolkata - 700017

We, the statutory auditors of Britannia Industries Limited, (hereinafter referred to as “the Company”), have examined the proposed accounting treatment specified in clause 5 of the Draft Scheme of Arrangement between Britannia Industries Limited and their shareholders in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of Britannia Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to National Stock Exchange of India Limited and Bombay Stock Exchange Limited. This Certificate should not be used for any other purpose without our prior written consent.

To be read with our enclosed report of even date.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248/W/W-100022

Arjun Ramesh
Partner
Membership Number: 218495

Place: Bangalore
Date: 31 January 2019
EXTRACT OF SCHEME OF ARRANGEMENT BETWEEN
BRITANNIA INDUSTRIES LIMITED AND ITS MEMBERS

PART III

5. ACCOUNTING TREATMENT

5.1 The proposed restructuring of the Accumulated Profits by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures, being the “deemed dividend” payable to the Members under this Scheme, shall be transferred on the effective date from the Accumulated Profits to the Deemed Dividend Payable Account of the Company and shall be accounted for as dividend distributed;

(ii) The amount lying to the credit of Deemed Dividend Payable Account shall be remitted to the Merchant Bankers (authorised representative of the Members);

(iii) An amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Accumulated Profits to the Liability for Dividend Distribution Tax Account; and

(iv) An amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Dividend Distribution Tax Account to the Income-Tax/ Central Government Account.

Britannia Industries Limited
Prestige Shantiniketan, The Business Precinct, Tower C,
16th & 17th Floor, Whitefield Main Road,
Mahadevapura Post, Bengaluru - 560048
Fax - 08037687486, Board number - 08037687100,
CIN number - L15412WB1918PLC002964
5.2 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 4.3.1(ii), for and on behalf of the Members, shall be reflected in the books of account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures, being the payment by the Merchant Banker for and on behalf of the Members towards subscription to the Debentures, shall be transferred to the bank account of the Company by the Merchant Bankers (authorised representative of the Members), being the subscription towards investment by the Members in Debentures under this scheme and shall be credited to Debenture Subscription Account.

(ii) An amount representing the aggregate face value of the Debentures will be transferred from Debenture Subscription Account towards issuance of debentures by the Company to its Members and the said amount shall be accounted for as debentures issued by the Company.

5.3 The proposed transfer of the Accumulated Profits to Debenture Redemption Reserve shall be reflected in the books of the Company by transferring an amount representing twenty five percent of the aggregate face value of the Debentures from Accumulated Profits to Debenture Redemption Reserve to comply with the provisions of section 71 of the Act read with the rules made thereunder.
5.4 For the removal of doubts, it is expressly recorded and clarified that the payment of “deemed dividend” as contemplated in this Scheme and the reinvestment of such amounts towards subscription to Debentures does not in any manner involve distribution of capital reserves, bonds, redemption reserve or securities premium account and the payment of the “deemed dividend” and issuance of Debentures shall be deemed to have been issued entirely by utilizing the Accumulated Profits in the manner provided in this Scheme.

5.5 Post the payment of the “deemed dividend” and issuance of the Debentures in terms of this Scheme, the Retained Earnings shall stand reduced by INR. 869,11,11,103 (Rupees Eight Hundred Sixty Nine Crores Eleven Lakhs Eleven Thousand One Hundred and Three only) and an amount equivalent to the dividend distribution tax, at the applicable rate prescribed under the IT Act, payable by the Company on an amount equal to the face value of the Debentures.

For Britannia Industries Limited

N Venkataraman
Chief Financial Officer

Date: 07.10.2018
Place: Bangalore
The Board of Directors
Britannia Industries Limited
5/1A, Hungerford Street
Kolkata – 700 017

Statutory Auditor’s Certificate certifying the accounting treatment contained in the Proposed Scheme of Arrangement in accordance with Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 October, 2018.

2. The Proposed Scheme of arrangement, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter the “Act”), of the Company and their shareholders (“Proposed Scheme”) contains the proposed accounting treatment, specified in Clause 5, for the issuance and allotment of secured, non-convertible, redeemable, fully paid-up bonus debentures out of the balance lying to the credit of profit & loss account of Britannia, approved by the Board of Directors of the Company at its meeting held on October 7, 2018.

Management’s responsibility:

3. The preparation of the Proposed Scheme is the responsibility of the management of Britannia Industries Limited (hereinafter the “Company”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed 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 Proposed Scheme complies with the relevant laws and regulations, including the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under and other generally accepted accounting principles in India.

Auditor’s responsibility:

5. Pursuant to the requirements of Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, our responsibility is to express reasonable assurance in the form of an opinion and report whether the accounting treatment of the Company contained in Clause 5 of the Proposed Scheme complies with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India. Our examination of the Proposed Scheme was not planned and performed to assess whether the Proposed Scheme or any part thereof is in compliance with applicable laws and regulations and hence our report does not contain any opinion on the same.

6. For ease of references, Clause 5 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure to this Certificate and is initialed by us only for the purposes of identification.

7. We conducted our examination of the accounting treatment of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (“the ICAI”). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion:

9. Based on our examination, as above, we are of the opinion that the accounting treatment contained in Clause 5 of the Proposed Scheme is in compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India, as applicable.

10. As required under the provisions of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached the “Auditor’s Certificate” to this certificate which has been provided at the request of the Company for the purpose of onward submission to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Securities and Exchange Board of India, Regional Director, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act with the National Company Law Tribunal, Bench of Kolkata and/or other concerned statutory authorities. The Management has represented that our previously issued certificate dated 12 November 2018, has not been accepted by the National Stock Exchange of India Limited. Accordingly, a revised Auditor’s Certificate dated 15 January 2019 has been issued.

Restriction on use:

11. This certificate is addressed to and provided to the Board of Directors of the Company, at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Securities and Exchange Board of India, Regional Director, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act with the National Company Law Tribunal, Bench of Kolkata and/or other concerned statutory authorities. This Certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

[Signature]

Arjun Ramesh
Partner
Membership No. 218495

Place: Bangalore
Date: 15 January 2019
Auditor’s Certificate

To,
The Board of Directors,
Britannia Industries Limited
5/1A Hungerford Street
Kolkata - 700017

We, the statutory auditors of Britannia Industries Limited, (hereinafter referred to as “the Company”), have examined the proposed accounting treatment specified in clause 5 of the Draft Scheme of Arrangement between Britannia Industries Limited and their shareholders in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of Britannia Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to National Stock Exchange of India Limited and Bombay Stock Exchange Limited. This Certificate should not be used for any other purpose without our prior written consent.

To be read with our enclosed report of even date.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Arjun Ramesh
Partner
Membership Number: 218495

Place: Bangalore
Date: 15 January 2019
EXTRACT OF SCHEME OF ARRANGEMENT BETWEEN
BRITANNIA INDUSTRIES LIMITED AND ITS MEMBERS

PART III

5. ACCOUNTING TREATMENT

5.1 The proposed restructuring of the Accumulated Profits by issuance of
Debentures pursuant to the Scheme shall be reflected in the books of
account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures,
being the “deemed dividend” payable to the Members under this
Scheme, shall be transferred on the effective date from the Accumulated
Profits to the Deemed Dividend Payable Account of the Company and
shall be accounted for as dividend distributed;

(ii) The amount lying to the credit of Deemed Dividend Payable Account
shall be remitted to the Merchant Bankers (authorised representative of
the Members);

(iii) An amount representing the dividend distribution tax payable by the
Company in terms of this Scheme shall be transferred from the
Accumulated Profits to the Liability for Dividend Distribution Tax
Account; and

(iv) An amount representing the dividend distribution tax payable by the
Company in terms of this Scheme shall be transferred from the
Dividend Distribution Tax Account to the Income-Tax/ Central
Government Account.
5.2 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 4.3.1(ii), for and on behalf of the Members, shall be reflected in the books of account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures, being the payment by the Merchant Banker for and on behalf of the Members towards subscription to the Debentures, shall be transferred to the bank account of the Company by the Merchant Bankers (authorised representative of the Members), being the subscription towards investment by the Members in Debentures under this scheme and shall be credited to Debenture Subscription Account.

(ii) An amount representing the aggregate face value of the Debentures will be transferred from Debenture Subscription Account towards issuance of debentures by the Company to its Members and the said amount shall be accounted for as debentures issued by the Company.

5.3 The proposed transfer of the Accumulated Profits to Debenture Redemption Reserve shall be reflected in the books of the Company by transferring an amount representing twenty five percent of the aggregate face value of the Debentures from Accumulated Profits to Debenture Redemption Reserve to comply with the provisions of section 71 of the Act read with the rules made thereunder.
5.4 For the removal of doubts, it is expressly recorded and clarified that the payment of “deemed dividend” as contemplated in this Scheme and the reinvestment of such amounts towards subscription to Debentures does not in any manner involve distribution of capital reserves, bonds, redemption reserve or securities premium account and the payment of the “deemed dividend” and issuance of Debentures shall be deemed to have been issued entirely by utilizing the Accumulated Profits in the manner provided in this Scheme.

5.5 Post the payment of the “deemed dividend” and issuance of the Debentures in terms of this Scheme, the Retained Earnings shall stand reduced by INR. 869,11,1,103 (Rupees Eight Hundred Sixty Nine Crores Eleven Lakhs Eleven Thousand One Hundred and Three only) and an amount equivalent to the dividend distribution tax, at the applicable rate prescribed under the IT Act, payable by the Company on an amount equal to the face value of the Debentures.

For Britannia Industries Limited

N Venkataraman

Chief Financial Officer

Date: 07.10.2018

Place: Bangalore
The Board of Directors  
Britannia Industries Limited  
5/1A, Hungerford Street  
Kolkata – 700 017

Statutory Auditor’s Certificate certifying the accounting treatment contained in the Proposed Scheme of Arrangement in accordance with Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 October 2018.

2. The Proposed Scheme of arrangement, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter the “Act”), of the Company and their shareholders (“Proposed Scheme”) contains the proposed accounting treatment, specified in Clause 5, for the issuance and allotment of secured, non-convertible, redeemable, fully paid-up bonus debentures out of the balance lying to the credit of profit & loss account of Britannia, approved by the Board of Directors of the Company at its meeting held on October 7, 2018.

Management’s responsibility:

3. The preparation of the Proposed Scheme is the responsibility of the management of Britannia Industries Limited (hereinafter the “Company”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed 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 Proposed Scheme complies with the relevant laws and regulations, including the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under and other generally accepted accounting principles in India.

Auditor’s responsibility:

5. Pursuant to the requirements of Para I (a) 5 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, our responsibility is to express reasonable assurance in the form of an opinion and report whether the accounting treatment of the Company contained in Clause 5 of the Proposed Scheme complies with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India. Our examination of the Proposed Scheme was not planned and performed to assess whether the Proposed Scheme or any part thereof is in compliance with applicable laws and regulations and hence our report does not contain any opinion on the same.
6. For ease of references, Clause 5 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure to this Certificate and is initialed by us only for the purposes of identification.

7. We conducted our examination of the accounting treatment of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("the ICAI"). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion:

9. Based on our examination, as above, we are of the opinion that the accounting treatment contained in Clause 5 of the Proposed Scheme is in compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles in India, as applicable.

Restriction on use:

10. This certificate is addressed to and provided to the Board of Directors of the Company, at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Securities and Exchange Board of India, Regional Director, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act with the National Company Law Tribunal, Bench of Kolkata and/or other concerned statutory authorities. This Certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for BSR & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248/W/W-100022

Arjun Ramesh
Partner
Membership No. 218495

Place: Bangalore
Date: 12 November 2018
EXTRACT OF SCHEME OF ARRANGEMENT BETWEEN
BRITANNIA INDUSTRIES LIMITED AND ITS MEMBERS

PART III

5. ACCOUNTING TREATMENT

5.1 The proposed restructuring of the Accumulated Profits by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures, being the “deemed dividend” payable to the Members under this Scheme, shall be transferred on the effective date from the Accumulated Profits to the Deemed Dividend Payable Account of the Company and shall be accounted for as dividend distributed;

(ii) The amount lying to the credit of Deemed Dividend Payable Account shall be remitted to the Merchant Bankers (authorised representative of the Members);

(iii) An amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Accumulated Profits to the Liability for Dividend Distribution Tax Account; and

(iv) An amount representing the dividend distribution tax payable by the Company in terms of this Scheme shall be transferred from the Dividend Distribution Tax Account to the Income-Tax/ Central Government Account.
5.2 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 4.3.1(ii), for and on behalf of the Members, shall be reflected in the books of account of the Company in the following manner:

(i) An amount representing the aggregate face value of the Debentures, being the payment by the Merchant Banker for and on behalf of the Members towards subscription to the Debentures, shall be transferred to the bank account of the Company by the Merchant Bankers (authorised representative of the Members), being the subscription towards investment by the Members in Debentures under this scheme and shall be credited to Debenture Subscription Account.

(ii) An amount representing the aggregate face value of the Debentures will be transferred from Debenture Subscription Account towards issuance of debentures by the Company to its Members and the said amount shall be accounted for as debentures issued by the Company.

5.3 The proposed transfer of the Accumulated Profits to Debenture Redemption Reserve shall be reflected in the books of the Company by transferring an amount representing twenty five percent of the aggregate face value of the Debentures from Accumulated Profits to Debenture Redemption Reserve to comply with the provisions of section 71 of the Act read with the rules made thereunder.
5.4 For the removal of doubts, it is expressly recorded and clarified that the payment of “deemed dividend” as contemplated in this Scheme and the reinvestment of such amounts towards subscription to Debentures does not in any manner involve distribution of capital reserves, bonds, redemption reserve or securities premium account and the payment of the “deemed dividend” and issuance of Debentures shall be deemed to have been issued entirely by utilizing the Accumulated Profits in the manner provided in this Scheme.

5.5 Post the payment of the “deemed dividend” and issuance of the Debentures in terms of this Scheme, the Retained Earnings shall stand reduced by INR. 869,11,11,103 (Rupees Eight Hundred Sixty Nine Crores Eleven Lakhs Eleven Thousand One Hundred and Three only) and an amount equivalent to the dividend distribution tax, at the applicable rate prescribed under the IT Act, payable by the Company on an amount equal to the face value of the Debentures.

For Britannia Industries Limited

N Venkataraman
Chief Financial Officer

Date: 07.10.2018

Place: Bangalore