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SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232
OF THE COMPANIES ACT, 2013
AMONGST

BRITANNIA INDUSTRIES LIMITED

(THE "COMPANY")

AND

ITS MEMBERS

FOR ISSUE OF SECURED, NON-CONVERTIBLE,
REDEEMABLE, FULLY PAID-UP DEBENTURES BY
WAY OF BONUS TO THE MEMBERS AS ON RECORD
DATE OUT OF THE ACCUMULATED PROFITS
LYING TO THE CREDIT OF PROFIT & LOSS
ACCOUNT.

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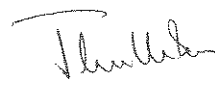

A. OVERVIEW AND OBJECTIVES OF THE COMPANY

1. Britannia Industries Limited (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 CIN 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) of India (as defined herein below).
2. The Company is a widely held public listed company in which public holds 49.30% of the issued, subscribed and paid-up share capital of the Company.
3. The Company is engaged in the manufacture and sale of packaged food products. For the last several years, the Company has maintained a consistent record of profitable growth. Taking full advantage of the opportunities offered by developments in the area of information technology and through an efficient extended supply chain, the Company has been able to optimise the quantum of working capital required for carrying on its business.
4. In order to achieve long term sustainable growth objectives, the Company has been conservative in distributing its profits in the form of cash dividends and instead focused on reinvesting and ploughing back its cash into the business. Over a period of time Company's capital needs have kept on changing. Preserving cash has been of utmost importance while satisfying the return desires of its Members.



The Chairman

5. The excess capital and cash surplus can be profitably utilized for the Company's overall growth strategy. Even after considering the investments required for such opportunities over the next few years, the Company believes that it would still have capital and cash in excess of its needs. Investing such cash as treasury investments, in the ultimate analysis, leads to dilution of yield on capital employed in the business, particularly in a scenario of falling interest rates. The Company has thus come to the conclusion that it should return a portion of the retained earnings to its Members by restructuring its reserves and surplus. The Company would thus have access to cash represented by Debentures and deal with it in such manner as it deems fit. The reduction of accumulated profits by issue of Debentures (constituting deemed dividend) is, thus, not expected to impact the Company's growth prospects. The Scheme does not involve any reduction in the issued, subscribed and paid up share capital of the Company. Further, in exceptional circumstances, the Company's Balance Sheet strength would enable it to raise funds as required.
6. Taking into account the factors mentioned in the foregoing paragraph, the Company has come to the conclusion that its capital represented in the form of retained earnings is in excess of its needs. Likewise, the Company has cash resources which are surplus to its operational needs.
7. Even after issue of Debentures by way of bonus by utilizing the Accumulated Profits, the Company would have sufficient cash resources to discharge its liabilities towards its creditors on time and in the ordinary course of its business.

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B. RATIONALE AND BENEFITS OF THIS SCHEME

1. The Company has accumulated profits over the years in the form of retained earnings. Further, barring unforeseen circumstances, the Company is confident of generating adequate 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. The Company has completed 100 Years of operations and is keen to reward its Members for their continued support and belief. Accordingly, the Company has proposed to issue secured, non-convertible, redeemable, fully paid-up Debentures, by way of bonus to all its Members as on the Record Date on pro rata basis ("Debentures"), by utilizing the Accumulated Profits. In the interest of transparency and good corporate governance and by way of abundant caution, the Company has resolved to propose this Scheme of Arrangement between the Company and its Members under Section 230 to 232 of the Companies Act, 2013 which will be subject to necessary approvals of the National Company Law Tribunal, Bench at Kolkata, Members, its creditors, RBI and other authorities (as defined hereinafter).

C. This Scheme is segregated into the following four (4) parts:

- (i) **Part-I** deals with the definitions and share capital;
- (ii) **Part-II** deals with the issue of debentures from Accumulated Profits;
- (iii) **Part-III** deals with the Accounting Treatment of this Scheme; and



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(iv) Part-IV deals with the general terms and conditions applicable to this Scheme.

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PART - I

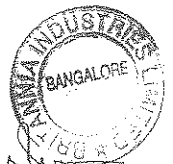
1. Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions have the meanings set forth below:

- 1.1. "Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 1.2. "Accumulated Profits" means the amounts lying to the credit of retained earnings, which have been built through undistributed profits and which form part of the reserves and surplus of the Company, as set forth in Clause 2.2 of this Scheme;
- 1.3. "Appointed Date" for the purpose of this Scheme and for the issue of Debentures, means the opening of business hours on April 1, 2018, for the purpose of determining the amount of the Accumulated Profits of the Company as per the audited balance sheet of the Company at close of business hours on March 31, 2018 for the issue of Debentures;
- 1.4. "Board of Directors" in relation to the Company means the board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include committee constituted for the purpose of giving effect to this Scheme.
- 1.5. "Company" has the meaning ascribed to such term in Clause A. 1 of this Scheme;
- 1.6. "Debenture Trustee" has the meaning ascribed to such term in Clause 4.2.2;
- 1.7. "Debenture Trust Deed" has the meaning ascribed to such term in Clause 4.2.2;

- 1.8. **"Debentures"** means secured, 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 this Scheme. The principal terms and conditions of these Debentures have been set forth in Schedule 1 to this Scheme;
- 1.9. **"Effective Date"** means the date on which the Debentures are allotted to the Members of the Company as on the Record Date. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;
- 1.10. **"Escrow Account"** has the meaning ascribed to such term in Clause 4.3.1(i);
- 1.11. **"ESOS"** means the Employees Stock Option Scheme of the Company pursuant to which eligible employees of the Company are entitled to be issued shares in the Company upon vesting and exercise of stock options;
- 1.12. **"IT Act"** means the Income Tax Act, 1961 and the rules and regulations made thereunder, and includes any modifications and amendments made thereto and/or any re-enactment thereof;
- 1.13. **"Members"** mean the persons whose names appear as equity shareholders in the register of members of the Company or beneficial owners of equity shares in the record of depositories.
- 1.14. **"Merchant Banker"** has the meaning ascribed to such term in Clause 4.3.1(i);
- 1.15. **"NCLT"** means National Company Law Tribunal, Bench at Kolkata;
- 1.16. **"Record Date"** means the date to be fixed by the Board of Directors of the Company in terms of Clause 6.5;
- 1.17. **"RBI"** means the Reserve Bank of India;



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- 1.18. "Scheme" means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modification and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required.
- 1.19. "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;
- 1.20. "SEBI" means the Securities and Exchange Board of India; and
- 1.21. "Stock Exchanges" means the National Stock Exchange of India Limited and the BSE Limited.

1.22. Interpretation:

1.22.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, as applicable, and if not defined therein then under relevant statutes, such as the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.22.2. In this Scheme, unless the context otherwise requires:

- (i) References to "persons" includes individuals, firms, body corporates (whether or not incorporated), government, state or agency of



a state or any joint venture, association and partnership;

- (ii) Heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- (iii) The term "Clause" refers to the specified clause of this Scheme;
- (iv) References to one gender includes all genders;
- (v) The terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the scope of the words and terms preceding or following such terms;
- (vi) Schedule(s) to this Scheme form an integral and inseparable part of this Scheme;
- (vii) Words in the singular shall include the plural and *vice versa*; and
- (viii) 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 statutory provision.

2. CAPITAL STRUCTURE, RESERVES AND AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY.



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2.1. Capital Structure

The capital structure of the Company as on March 31, 2018, is as under:

Share Capital	Amount in INR.
Authorised	
250,000,000 equity shares of INR. 2 each	500,000,000
Total	500,000,000
Issued, Subscribed and Paid-up	
12,00,59,148 equity shares of INR. 2 each	24,01,18,296
Total	24,01,18,296

Subsequent to March 31, 2018, the Board of Directors allotted 99,999 equity shares under ESOS on August 9, 2018. The revised Issued, Subscribed and Paid Up Capital as on August 9, 2018 is INR 24,03,18,294 consisting of 12,01,59,147 Equity Shares of INR 2 each.

Subsequently, the Board of Directors at its Meeting held on August 23, 2018, approved sub-division of equity shares of face value of INR. 2/- each to 2 equity shares of face value of INR. 1/- each and Members have approved the same along with the consequential revision in capital structure of the Company through postal ballot including e-voting on October 15, 2018.

The Authorised, Issued, Subscribed and Paid-up share capital of the Company, post sub-division of equity shares will be as under (from the record date



as may be fixed by the Board of Directors for giving effect to the sub-division of equity shares along with the consequential revised capital structure of the Company):

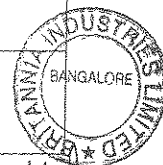
Share Capital	Amount in INR.
Authorised	
500,000,000 equity shares of INR. 1 each	500,000,000
Total	500,000,000
Issued, Subscribed and Paid-up	
24,03,18,294 equity shares of INR. 1 each	24,03,18,294

The Profits of the Company as per the audited financial statement of the Company for the year ending March 31, 2018 is INR. 947.89 Crores/- (Rupees Nine Hundred Forty Seven Crores Eighty Nine Lakhs only).

The equity shares of the Company are, at present, listed on the BSE Limited and National Stock Exchange of India Limited.

2.2. Reserves and Surplus:

Reserves and Surplus	As at March 31 st , 2018 (INR)
Securities Premium Reserve	
Balance as at the beginning of the period /year	30.00



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Addition /year	18.17
Balance as at the end of the period /year	48.17
General Reserve	538.30
Add: Transferred from surplus in the Statement of Profit and Loss during the period	94.79
Balance as at the beginning of the period /year	633.09
Surplus in the Statement of Profit and Loss	
Balance as at the beginning of the period /year	1,979.86
Add: Profit for the period/year	947.89
Less: Appropriations	
Dividend*	264.13
Dividend Distribution Tax	53.78
Transfer to General Reserve	94.79
Balance as at the end of the period /year	2,515.05

* The amount of dividend relates to FY 2016-17 which was paid in FY 2017-18.

2.3. Amendment to Articles of Association of the Company

As an integral part of this Scheme, and, upon the effectiveness of this Scheme without any further act or deed, the following article, numbered as article 136A shall stand inserted in the Articles of Association of the Company after the existing article 136:

"Article 136 A: Capitalisation of Reserves and treatment of undivided profits



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Subject to the provisions of the Companies Act, 2013, as applicable, and upon the recommendation of the Board, Members of the Company may, in any General Meeting, resolve that any amounts forming part of undivided profits (including profit or surplus arising out of realisation of any capital assets of the Company) or any amount standing to the credit of the securities premium account or any amount standing to the credit of the capital redemption reserve or standing to the credit of the general reserve or any reserve fund or any other reserve of the Company or in the hands of the Company and available for dividend, be capitalized in either of the following ways:

By the issue and distribution, as fully paid-up shares, debentures or any other securities of the Company, or

By crediting shares of the Company which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon.

Notwithstanding anything contained in (1) above, any amount standing in the securities premium account may be applied by the Company for any other purposes as may be permitted under the Companies Act, 2013, as applicable.

2.4. It is hereby clarified that consent of the Members to this Scheme shall be sufficient for the purposes of effecting the abovementioned amendments to the Articles of Association of the Company, and no further resolution under Section 14 of the Act or any other applicable provisions of the Act, would be required to be separately passed in connection with such alteration and amendment.

3. OPERATION OF THIS SCHEME FROM EFFECTIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be operative and be effective from the Effective Date.



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PART II

4. ISSUE OF DEBENTURES FROM ACCUMULATED PROFITS:

4.1. Issue of Debentures:

- 4.1.1. The provisions of this Clause 4.1 shall operate notwithstanding anything to the contrary in this Scheme or in any instrument, deed or writing.
- 4.1.2. Upon the coming into effect of this Scheme, the Company shall, issue and allot by way of bonus, 1 (One) fully paid-up Debenture of the face value of INR.30/- (Rupees Thirty only) each, by utilizing its Accumulated Profits, for every one (1) fully paid-up equity share of face value of INR. 1/- (Rupee One only) each held by a Member as on the Record Date.
- 4.1.3. The process of issue /allotment of Debentures is set out in Clause 4.3
- 4.1.4. The issuance of Debentures pursuant to this Scheme will constitute "deemed dividend" as defined in Section 2(22)(b) of the IT Act and as a consequence the Company shall be required to pay dividend distribution tax at the applicable rate on the aggregate value of Debentures allotted to the Members as on the Record Date. However, such issue of Debentures in the manner contemplated in this Scheme will not entail declaration or payment of any dividend for the purposes of section 123 of the Act or any other relevant provision of the Act and accordingly the provisions pertaining to the Companies (Declaration and Payment of Dividend) Rules, 2014 are not applicable.

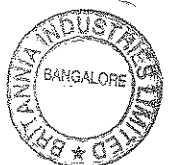



4.1.5. The issuance of Debentures in terms of this Scheme in regard to any equity shares of the Company which are held in abeyance under the provisions of section 126 of the Act or any other relevant provisions of the Act shall pending allotment or settlement dispute by order of a court or otherwise 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.

4.2. Terms and Conditions of Debentures

4.2.1. 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.

4.2.2. The Board of Directors shall appoint a debenture trustee ("**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 Debenture Trust Deed and other relevant documents shall be provided by the Company to the Stock Exchanges and the same shall be uploaded by such Stock Exchanges on their websites. In case the Debenture Trustee is required to take any action, grant any waivers or



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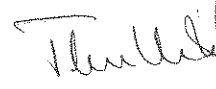
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exercise any rights or privileges granted to it in regard to the Debentures, then the Debenture Trustee shall, prior to taking such actions, granting such waivers or exercising such rights or privileges seek the instructions of the debenture holders in the manner set forth in the Debenture Trust Deed and such rights and remedies shall be exercisable by them only through the Debenture Trustee in accordance with the terms thereof. 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 Debentures in terms of the Debenture Trust Deed, and no further actions or affirmations will be necessary from the Members in this regard.

4.2.3. Subject to receipt of necessary regulatory approvals, as soon as practicable after the issuance of the Debentures and in any case within the time period prescribed under applicable laws, the Company shall take necessary steps towards listing the Debentures on both or any of the Stock Exchange in terms of the SEBI Debt Regulations or any other applicable regulations with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction outside India.

4.3. Process for Issuance of Debentures

4.3.1. Subject to receipt of requisite approvals, if any, the Debentures shall be issued within a period of thirty (30) days from the Record Date to the Members eligible to receive the same, in the following manner:




- (i) The Company shall transfer an amount of INR.720,95,48,820/- (Rupees Seven Hundred Twenty Crores Ninety Five Lakhs Forty Eight Thousand Eight Hundred Twenty only), being the amount equal to the aggregate value of the Debentures required to be issued in terms of this Scheme, to a merchant banker to be appointed by the Company ("Merchant Banker") to act on behalf of and as agent and trustee of the Members. Subject to receipt of necessary regulatory approvals, if any, the Merchant Bankers shall receive the aforesaid amount in an on-shore escrow account opened for this purposes with a scheduled commercial bank in India ("Escrow Account"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as "deemed dividend" within the meaning of the term under section 2(22)(b) of the IT Act. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make such payments to each Member.
- (ii) The Merchant Banker shall immediately after receipt of funds pursuant to sub-clause (i) above pay to the Company (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 in terms hereof. The said payment for and on behalf of the Members by the Merchant Banker shall be appropriate/considered to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of



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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 each such Debenture.

- (iii) Upon receipt by the Company of payment from the Merchant Banker in terms of sub-clause (ii) 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 holding in the Company on the Record Date in the ratio stipulated in Clause 4.1.2.

4.3.2. 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. For all Members holding equity shares in physical form, the Company shall issue Debentures in physical form to such Members. No letter of allotment shall be issued for the Debentures in such cases. In case of Members whose equity shares are lying in suspense/pool account due to any reason or whose demat details are incomplete/incorrect, the Debentures will be credited to a pool account specifically opened by the Company for the credit of such Debentures.



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4.3.3. In case of 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 (including modifications and amendments thereof), the Debentures being deemed dividend, shall also be credited to the IEPF demat account or debenture certificates to be issued in the name of IEPF.

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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



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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



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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.

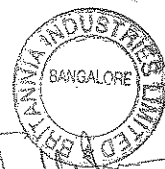
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PART IV**6. GENERAL TERMS AND CONDITIONS****6.1. Non Resident Members**

6.1.1. Regulation 9(2) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 issued vide RBI Notification No. 20 (R)/2017-RB dated November 7, 2017 (as amended upto April 6, 2018) 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 National Company Law Tribunal/Competent Authority in India under the provisions of the Act, as applicable, subject to the terms and conditions of the aforesaid 'RBI Notification' that will be complied with by the Company. The allotment of the Debentures to the Members in terms of this Scheme shall be made in accordance with the provisions of applicable laws including the applicable RBI Notification 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 laws of India, including regulatory requirement of RBI and SEBI, and the laws of their country of residence at the time of the sale of Debentures 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.

6.1.2. In accordance with the regulations prescribed by SEBI and RBI, the Company shall procure the listing of the Debentures within a period of



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fifteen (15) days of issue. In case the Debentures are not listed within fifteen (15) days of issuance, then the Company shall immediately redeem/ buy back the Debentures or shall arrange for third parties to purchase such Debentures from non-resident Members who are not permitted to hold such Debentures beyond such period in terms of applicable regulations of RBI and SEBI, unless suitable exemptions are granted by RBI/ SEBI.

6.2. ESOS:

6.2.1. Upon the coming into effect of this Scheme, the Company shall issue and allot Debentures to the eligible employees of the Company who have already exercised stock options that were vested in them pursuant to the ESOS, prior to or as on the Record Date. The number of Debentures to be issued and allotted shall be in the approved ratio to the number of Equity Shares held by such eligible employees after exercise of the stock options under the ESOS prior to or as on the Record Date. For avoidance of doubt, it is hereby clarified that no debentures shall be issued or allotted to the eligible employees who have exercised stock options under the ESOS after the Record Date.

6.2.2. The issue and allotment of the Debentures to the eligible employees of the Company pursuant to the provisions of this Scheme, including this Clause 6.2, shall be effected as an integral part of this Scheme and the consent of the Members of the Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOS.



6.2.3. The Board of Directors of the Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of clause 5.2 of this Scheme in the best interests of the employees of the Company.

6.3. Applications to Stock Exchanges and NCLT

6.3.1. The Company, shall, with all reasonable dispatch, make relevant applications to the Stock Exchange(s), under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, as amended from time to time and other applicable provisions of SEBI circular CFD/DIL3/CIR/2017/21 dated March, 10 2017 and applications for seeking exemption from strict compliance of SEBI Debt Regulations as may be required;

6.3.2. Once the SEBI Observation letter /NOC is received by the Company, it shall, make relevant applications to the NCLT for seeking directions/ orders of dispensing with or converting, holding and/or conducting of the meetings of the classes of members and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the NCLT.

6.3.3. Upon this Scheme being approved by the requisite majority of the Members and creditors of the Company, wherever required, the Company shall file a petition before the NCLT for sanction of this Scheme under sections 230 to 232 of the Act, as the NCLT may deem fit for carrying this Scheme into effect. Upon the coming into effect of this Scheme, the Members of the Company shall be deemed to



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have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

6.4. Sequencing of Events

Upon this Scheme becoming effective, the following shall be deemed to have occurred, become effective and operative only in the sequence mentioned hereunder:

- (i) Transfer of an amount representing the aggregate face value of the Debentures, being payment that is to be effected to the Members as "deemed dividend" in terms of Clause 4.3.1(i);
- (ii) Investment of the aggregate amount of the face value of the Debentures by the Merchant Banker by credit of such an amount into the bank account of the Company in terms of Clause 4.3.1(ii);
- (iii) Issue and allotment of the Debentures to Members as on the Record Date ; and
- (iv) Listing of the Debentures in terms of the SEBI Rules/Regulations.

6.5. Record Date

Upon the sanction of this Scheme by NCLT, the Board of Directors of the Company shall determine the Record Date for issue and allotment of the Debentures to its Members in terms of this Scheme. On determination of such Record Date, the Company shall obtain a list of its Members as on the closing hour of the Record Date and such Members shall be entitled to receive Debentures in terms of the ratio stipulated in Clause 4.1.2 and the other relevant provisions of this Scheme.


The stamp is circular with the text "MERCHANT BANKER" around the perimeter and "SEBI" at the bottom. A handwritten signature is written over the stamp.

6.6. The Scheme is conditional on and subject to:

- (a) the approval/ comments of SEBI in terms of the SEBI circular CFD/DIL3/CIR/2017/21 dated March 10, 2017;
- (b) the Scheme being approved by the requisite majority of the Members and/or Creditors of the Company as required under the Act;
- (c) the NCLT having accorded its sanction to the Scheme; and
- (d) the certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies.
- (e) Listing approval from the Stock Exchanges.

The approval of this Scheme by the Members shall be deemed to be sufficient for the purposes of effecting the issuance of Debentures out of accumulated profits available as on the Appointed Date and no further resolution under any other applicable provisions of the Act would be required to be separately passed by the Members.

6.7. Modifications to this Scheme and removal of difficulties

The Company, acting through its Board of Directors, may assent to any modifications or amendments to this Scheme, which the Stock Exchange(s) or NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. In case any of the provisions of this Scheme are inconsistent with any accounting standards, the Company, acting through its Board of Directors, may undertake appropriate steps to amend this Scheme to bring it in line with



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such accounting standards. The Board of Directors be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. Without prejudice to the generality of the above, the Board of Directors shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of account for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.

Any increase in share capital of the Company before the record date due to allotment of equity shares under the ESOS of the Company shall have consequential effect to the number and amount of bonus debentures to be issued. The approval of Members, creditors, stock exchanges, SEBI, NCLT and any other authorities shall be deemed approval for the revised number and amount of debentures issued in the approved ratio in proportion to the revised share capital.

6.8. Withdrawal of this Scheme

Notwithstanding anything else to the contrary in this Scheme, the Company, acting through its Board of Directors, shall be at liberty to withdraw this Scheme for any reason whatsoever including but not limited to inordinate delays or any condition/ alteration imposed by the NCLT or any other authority being not acceptable to it. In case of withdrawal of this Scheme by the Company, the entire Scheme shall become null and void and in



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that event no rights and liabilities shall accrue to or be incurred by the Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with this Scheme.

6.9. Costs and Expenses

All costs, charges and expenses incurred by the Company in relation to or in connection with this Scheme and for carrying out and implementing/ completing the terms and provisions of this Scheme and/or incidental to the completion thereof, including the fees in connection with the appointment of the Merchant Banker and opening of the Escrow Account, if any, shall be borne and paid by the Company. For the avoidance of doubt, it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to the Debentures.

6.10. Binding Effect

Upon the coming into effect of this Scheme, it shall be binding on the Company, all its creditors, Members and all other persons/ stakeholders dealing with and / or concerning the Company. In the event of any inconsistency between the provisions of this Scheme and any of the terms and conditions of any earlier arrangement, agreement or contract of between the Company, its Members, creditors and/or other stakeholders, then the provisions of this Scheme shall prevail.

6.11. Severability

If any part of this Scheme is invalid, ruled illegal by the NCLT, any appellate authority or court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the



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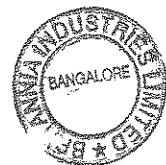
Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Company, acting through its Board of Directors, shall attempt to bring about appropriate modification to this Scheme, so as to best preserve the benefits and obligations of this Scheme, including but not limited to such part.

6.12. Declaration of Dividend

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

Miscellaneous

6.12.1. 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



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construed as an offer document or prospectus in any manner or for any purpose whatsoever.

6.12.2. Since the Debentures being issued shall be secured by a first charge or any charge *pari passu* with the first charge on movable or immovable assets of the Company as may be identified by the Board of Directors, 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.

6.12.3. In the event of there being any pending share transfers due to any reason, of any Member of the Company, the Board of Directors shall be empowered in appropriate cases, prior to or even subsequent to the Record Date to effectuate such a transfer as if such changes in registered holder 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 issuance of the Debentures after the effectiveness of this Scheme.

6.12.4. 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



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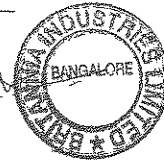
be payable on the Scheme and / or the order sanctioning this Scheme. However, stamp duty, if any, in regard to any instrument / deed / contract / NCLT order pertaining to the issue and allotment of Debentures shall be paid by the Company as per applicable laws.

6.12.5. The Debentures issued under this Scheme are well within the borrowing powers of the Board of Directors under section 180(1)(c) of the Act, which is fixed at INR. 2000 Crores (Rupees Two Thousand Crores only) approved by the Members at the 95th Annual General Meeting of the Company on 12th August, 2014.

6.12.6. 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 law.

6.12.7. To the extent applicable, the Company shall comply with the provisions of SEBI Circular No. CIR/CFD/DIL/2017/21 dated March 10, 2017, as modified, while *inter alia* procuring the approval of the Members of the Company.

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Schedule I

Principal terms and conditions of Debenture

(refer to Clauses 1.8 and 4.2.1)

Issuer	Britannia Industries Limited
Type of instrument	Secured, non-convertible, redeemable, fully paid-up Debentures.
Issue Size	24,03,18,294 Debentures of INR 30/- each amounting to INR.720,95,48,820/-.
Face Value / Principal	INR. 30/- per Debenture.
Utilization	The amount of subscription of Debentures will be utilised for: <ul style="list-style-type: none">(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) Investment in Joint Venture and Subsidiary Companies.(iv) Working Capital and other business purposes.
Interim Use	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.



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Security Debentures will be secured by a first charge or charge *pari passu* with any first charge on movable or immovable assets of the Company, as maybe identified by the Board of Directors equal or more than the value of Principal and interest amount of Debentures.

**Ranking/
Seniority** The claims of the Debenture holders shall be superior to the claims of any unsecured creditors of the Company and shall be subject to applicable statutory and/or regulatory requirements and shall rank *pari passu inter se* to the claims of other secured creditors of the Company having the same security.

Listing Proposed to be listed on the Stock Exchanges under SEBI Debt Regulations.

**Credit
Ratings** To be rated by rating agency appointed by the Board of Directors.

Market Lot One Bonus Debenture of INR. 30/- each

**Coupon
Rate /
Interest** The coupon rate per Debenture shall be as determined by the Board of Directors as on the Record Date and shall not exceed 8.00% per annum.

**Coupon
Type** The coupon determined as per above methodology would remain fixed throughout the tenure of the Debentures.



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Coupon Payment Frequency	Annually.
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Redemption /Maturity	The Debentures shall be redeemed on the third anniversary of the date of their allotment.
Taxation	The interest and principal amount of Debentures are subject to taxes as may be applicable in accordance with provisions of IT Act as amended from time to time.
Debenture Trustee	A Debenture Trustee shall be appointed by the Board of Directors.
Lock in Period	There is no Lock-In Period for the Debentures.



