



17<sup>th</sup> May, 2021

To,  
The Secretary  
BSE Limited  
Sir Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Security code: 500825

The Manager - Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Symbol: BRITANNIA

Dear Sir/Madam,

**SUB: Outcome of the Meeting of the Bonus Debenture Committee of Britannia Industries Limited (“Company”) held on 17<sup>th</sup> May, 2021**

**REF: SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.**

The Bonus Debenture Committee of the Company at their meeting held today have, *inter alia*, taken on record the digitally signed copy of the order dated 7<sup>th</sup> May, 2021 of the Hon’ble National Company Law Tribunal, Kolkata bench, (“NCLT”) received on 11<sup>th</sup> May, 2021, sanctioning the Scheme of Arrangement between Britannia Industries Limited and its Members for issue of unsecured, non-convertible, redeemable, fully paid up debentures and payment of dividend. A copy of the NCLT order is enclosed for your records.

For the purpose of determining the eligibility of Members holding equity shares of the Company, to receive bonus debentures and dividend, under the Scheme, the Bonus Debenture Committee of the Company have fixed Thursday, 27<sup>th</sup> May, 2021 as the ‘Record Date’.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,  
For **Britannia Industries Limited**

**T. V Thulsidass**  
**Company Secretary**  
**Membership No: A20927**

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH  
KOLKATA

**CP (CAA) No.55/KB/2021**

**Connected with**

**CA (CAA) No.1447/KB/2020**

*In the matter of:*

The Companies Act, 2013

And

*In the matter of:*

An application under Sections 230 to 232 of the said Act

And

*In the matter of:*

Scheme of Arrangement amongst Britannia Industries Limited and its Members under sections 230 to 232 and other applicable provisions of Companies Act 2013

And

*In the matter of:*

Britannia Industries Limited [CIN: L15412WB1918PLC002964] a company incorporated under the Indian Companies Act, 1913 and existing within the meaning of the Companies Act, 2013 having its registered office at 5/1A, Hungerford Street, Kolkata -700017, in the State of West Bengal

..... Petitioner Company

**Order reserved on: 30.04.2021**

**Order pronounced on 07.05.2021**

*Coram:*

Shri Rajasekhar V.K. : Member (Judicial)

Shri Harish Chander Suri : Member (Technical)

*Appearances (through video conference):*

- |  |   |                            |
|--|---|----------------------------|
| 1. Mr. S.N. Mookherjee, Senior Advocate  | } | For the Petitioner Company |
| 2. Mr. Ratnanko Banerji, Senior Advocate |   |                            |
| 3. Mr. Arunabha Deb, Advocate            |   |                            |
| 4. Mr. Soumabho Ghose, Advocate          |   |                            |
| 5. Ms. Ashika Daga, Advocate             |   |                            |
| 6. Ms. Arti Bhattacharyya, Advocate      |   |                            |

**ORDER**

*Per: Rajasekhar V.K., Member (Judicial)*

1. The object of this Petition is to obtain sanction of this Tribunal to a Scheme of Arrangement between Britannia Industries Limited (*“the Petitioner Company”*) and its Members for (i) payment of dividend; and (ii) issue of unsecured, non-convertible, redeemable, fully paid-up debentures by way of bonus to the Members of the Petitioner Company by utilising the general reserve and/ or balance in the profit and loss account (retained earnings) of the Petitioner Company, pursuant to the provisions of sections 230-232 and other applicable provisions of the Companies Act, 2013 (*“Scheme of Arrangement”*). A copy of the said Scheme of Arrangement has been annexed as Annexure ‘A’ to the Petition.
2. It is stated in the Petition that for the last several years, the Petitioner Company has maintained a consistent record of profitable growth and has built up substantial Accumulated Profits 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 Petitioner Company is confident of generating incremental cash over the next few years. The Petitioner Company expects to have reasonable liquidity position and also has adequate debt raising capability. Taking full advantage of the opportunities offered by developments in the area of information technology and through an efficient extended supply chain, the

Petitioner Company has been able to optimise the quantum of working capital required for carrying on its business.

3. It is also stated that the excess capital and cash surplus can be profitably utilised for the Petitioner Company's overall growth strategy. Even after considering the investments required for such opportunities over the next few years, the Petitioner Company believes that it would still have capital and cash in excess of its needs. Further, upon taking into consideration the Petitioner Company's capability to generate strong cash flow and the accumulated profits being more than what is needed to fund the Petitioner Company's future growth, the Petitioner Company is of the view that these excess funds can be optimally utilised to reward its Members in such difficult and unprecedented times.
4. The Petitioner Company states that keeping with the Company's philosophy of conservative cash management and being mindful of the challenging business environment, the Petitioner Company is of the view that it would be prudent to retain liquidity in the Petitioner Company and that accordingly, the Petitioner Company has proposed, *inter alia*, to distribute such funds amongst its Members by means of fully paid up debentures by way of bonus and distribute dividends in terms of the said Scheme of Arrangement by utilising the accumulated profits. The Scheme of Arrangement does not involve any reduction in the issued, subscribed and paid-up share capital of the Petitioner Company.
5. It is further stated in the Petition that even after issue of debentures and payment of dividend in accordance with the Scheme of Arrangement, the Petitioner 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. It has also been stated that the Scheme is in best interests of the Members and other stakeholders of the Petitioner Company.

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6. Accordingly, the Board of Directors of the Petitioner Company resolved and approved on 05.10.2020 the Scheme of Arrangement between Britannia Industries Limited and its Members for (i) payment of dividend; and (ii) issue of unsecured, non-convertible, redeemable, fully paid-up debentures by way of bonus to the Members of Britannia Industries Limited by utilising the general reserve and/or balance in the profit and loss account (retained earnings) of the Petitioner Company, subject to such approvals of the BSE Limited and National Stock Exchange of India Limited and the directions and sanctions of this Tribunal as required under law and other Authorities, that may be necessary. The Board Resolution dated 05.10.2020 passed by the Board of Directors of the Petitioner Company along with the Report adopted by the Audit Committee of the Petitioner Company has been annexed and collectively marked as Annexure 'F' to the Petition.
  7. A certificate issued by the Petitioner Company's auditors certifying that the accounting treatment of the Scheme of Arrangement is in conformity with the accounting standards has been annexed as Annexure 'B' to the Petition.
  8. It is stated that the Petitioner Company has written to the Stock Exchanges for obtaining approvals from them under regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder. It has been stated that the Stock Exchanges where the shares of the Petitioner Company are listed being BSE Limited and the National Stock Exchange, have given their approval in principle to the said Scheme of Arrangement on 17.12.2020 and the letters have been respectively annexed as Annexure 'G' and Annexure 'I' to the Petition. It is stated that as per Annexure 'I' issued by the National Stock Exchange, the Petitioner Company is not required to send notice for representation as mandated under section 230(5) of the Companies Act, 2013 to SEBI or to the National

Stock Exchange of India Limited again for its comments, observations or representations.

9. It is stated that the Petitioner Company has complied with the directions given in the letter issued by BSE Limited, annexed as Annexure 'G' to the Petition and necessary changes have been made to the Scheme of Arrangement in line with the said letter dated 17.12.2020 issued by BSE Limited. It has also been stated that in so far as the observations in paragraph 7(ii) of the said letter, being Annexure 'G' are concerned, the Petitioner Company has clarified such observation to the BSE Limited by an email dated 17.12.2020, which has been annexed as Annexure 'H' to the Petition.
10. It is stated that the Scheme of Arrangement does not contain or provide for Corporate Debt Restructuring and does not in any way violate, override or circumscribe any provision of the Companies Act, 2013 and the Rules, Regulations and Guidelines made under the said Act.
11. It is stated that there are no proceedings pending under sections 210 to 220 and 223 to 225 of the Companies Act, 2013 against the Petitioner Company and that there are no investigation proceedings pending against the Petitioner Company under the Companies Act, 1956 or the Companies Act, 2013.
12. It has also been stated that there are no winding up petitions or insolvency resolution process under the provisions of Insolvency and Bankruptcy Code, 2016 pending against the Petitioner Company in any Court or the National Company Law Tribunal.
13. The shareholding pattern as per regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Petitioner Company duly certified by Chartered Accountants had been disclosed along with the copy of the application being CA (CAA) No.1447/KB/2020. A



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copy of the same has been annexed as Annexure 'J' to the Petition. The Petitioner Company has 2,78,753 shareholders as on 4.12.2020 with 50.55% of the equity shares being held by the promoter group and 49.45% by the public.

14. It has been submitted that the list of shareholders as certified by the statutory auditor had been filed along with CA (CAA) No.1447/KB/2020; the list of shareholders is voluminous and runs into approximately 20,000 pages, therefore, the same is stored in a pen-drive which was attached with the copy of the said certificate annexed to the said application. A copy of the certificate together with the pen-drive containing the list of shareholders is also annexed with the present Petition and marked as Annexure 'K.' The Petitioner Company has issued only equity shares and thus has only one class of shareholders, i.e., Equity Shareholders.
15. The Petitioner Company has only one class of secured creditors. These are secured Debenture Holders who had been allotted secured, non-convertible, redeemable, fully paid-up debentures pursuant to a similar Scheme of Arrangement being Annexure 'N' approved by this Tribunal by an order dated 02.08.2019, annexed as Annexure 'M.' The said secured debentures have not yet matured and a Debenture Trustee had been appointed by the Board of Directors of the Petitioner Company to protect the rights and interest of the Debenture Holders. The securities created by the Petitioner Company and charged are sufficient to secure the said debentures. Pursuant to the execution of the Debenture Trust Deed and the Memorandum of Hypothecation, the Debenture Trustee is the only secured creditor of the Petitioner Company. Copies of the Debenture Trust Deed, the Memorandum of Hypothecation and Form CHG-9 intimating the creation of charge in favour of the Debenture Trustee over the hypothecated assets are respectively annexed being Annexure 'Q,' Annexure 'R' and Annexure 'S' to the Petition. A certificate being Annexure 'T' has been issued by the Debenture Trustee according their "no-objection" to the Scheme of

Arrangement and dispensation of meetings of the secured Debenture Holders.

16. The Petitioner Company states that it has several unsecured creditors arising in the usual course of trade. The Scheme of Arrangement will not, in any manner, whatsoever, affect the rights of the unsecured creditors, inasmuch as, the Petitioner Company is issuing bonus debentures from the surplus funds and more than adequate funds are available with the Petitioner Company to meet all its credit liabilities towards the unsecured creditors. The Scheme of Arrangement will not in any manner adversely or prejudicially affect the rights of any creditors of the Petitioner Company. It is stated that that the Scheme of Arrangement does not contemplate any compromise or arrangement with the creditors of the Petitioner Company and that the unsecured creditors of the Petitioner Company will be paid off in the ordinary course of business. The Petitioner Company states that none of the unsecured creditors of the Petitioner Company being the usual trade creditors will be affected by reason of sanction of the Scheme of Arrangement. A schedule showing the position of the unsecured creditors as certified by the Chartered Accountants had been disclosed along with the copy of the application being CA (CAA) No.1447/KB/2020. A copy of the same has been annexed as Annexure 'U' to the Petition. In the said circumstances, there was no necessity or requirement for calling for meeting for the unsecured creditors being the usual trade creditors and consequently, any such meeting of the unsecured creditors being the usual trade creditors was dispensed with.
17. It is further stated that apart from the usual unsecured creditors arising out of the day-to-day operations of the Petitioner Company, there were five Commercial Paper Holders of the Petitioner Company as on the date of filing the application being CA (CAA) No.1447/KB/2020 and two Commercial Paper Holders as on date of filing of this Petition who are also



unsecured creditors of the Petitioner Company and will not be affected in any manner by reason of the Scheme of Arrangement.

18. By an order dated 23.12.2020 as corrected by a corrigendum dated 11.01.2021 to the order dated 23.12.2020, passed in CA (CAA) No.1447/KB/2020, this Tribunal had directed convening and holding of the virtual meetings of the Equity Shareholders on Monday, 15.02.2021 at 11.00 AM and the Commercial Paper Holders on Monday, 15.02.2021 at 2.00 PM, of the Petitioner Company for the purpose of considering and if thought fit, approving, with or without modification, the said Scheme of Arrangement.
19. In compliance to the directions provided under the order dated 23.12.2020 as corrected by a corrigendum dated 11.01.2021 to the order dated 23.12.2020, passed in CA (CAA) No.1447/KB/2020, the Petitioner Company has filed an Affidavit affirmed on 06.02.2021 evidencing service of Notices on the Equity Shareholders, Commercial Paper Holders and Regulatory Authorities and pertaining to the newspaper publications, annexed as Annexure 'AA' to the Petition.
20. Accordingly, the Petitioner Company convened and held the said meetings of the Equity Shareholders and that of the Commercial Paper Holders of the Petitioner Company in terms of the order dated 23.12.2020 as corrected by a corrigendum dated 11.01.2021 to the order dated 23.12.2020 and the provisions of the Companies Act, 2013. The proposed Scheme of Arrangement of the Petitioner Company was duly approved by the majority of persons representing more than three-fourths in value of the Shareholders and unanimously by the Commercial Paper Holders in accordance with requirement of section 230 of the Companies Act, 2013. The Chairperson appointed for the said meetings has filed her report on 20.02.2021 *vide* an affidavit affirmed on 18.02.2021, annexed as Annexure 'CC' to the Petition. The Petitioner Company has complied with all the directions given by this Tribunal at the stage of Company Application.

21. The Petitioner Company states that the Scheme of Arrangement duly approved under and pursuant to the aforesaid resolution is fair and in the interest of all Shareholders and the Commercial Paper Holders of the Petitioner Company and that the Scheme of Arrangement will not, once sanctioned by this Tribunal, work unjustly or inequitably against the interests of the Public Shareholders.
22. Consequently, the Petitioner presented the instant petition for sanction of the Scheme. By an order dated 18.03.2021, passed in CP (CAA) No.55/KB/2021, connected with CA (CAA) No.1447/KB/2020, this Tribunal had directed advertisement of the hearing of this Petition in *Ananda Bazar Patrika (Bengali)* and *The Telegraph (English)* Newspapers in terms of Form NCLT-3A of the National Company Law Tribunal Rules, 2016 with necessary variations respectively stating the PAN of the Petitioner Company, at least ten days before the date fixed for hearing. Further, the Petitioner Company was also directed to file an Affidavit, along with the copy of the advertisement in the newspapers.
23. In compliance with the order dated 18.03.2021 passed in CP (CAA) No. 55/KB/2021, connected with CA (CAA) No.1447/KB/2020, the Petitioner Company has filed an Affidavit affirmed on 16.04.2021 evidencing publication of notice in the newspapers.
24. Pursuant to the said publication of notice, the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata ('RD') has filed representation before this Tribunal on behalf of the Central Government by way of an e-mail dated 27.04.2021 stating that due to the COVID-19 situation, the said representation/report could not be notarised and sought dispensation of the same. Considering the ongoing pandemic situation, notarisation of the same is dispensed with by this Tribunal. The observations of the RD, which has also been served upon the Petitioner Company are as follows:

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- (a) That upon examination of report dated 17.03.2021 of the Registrar of Companies, West Bengal, it appears that the Petitioner Company is updated in filing its statutory returns including Financial Statement and Annual Return and no inspection/investigation/inquiry/prosecution is pending against the Petitioner Company.
- (b) That the Petitioner Company by its letter dated 15.01.2021 has submitted that it is a listed Company and it has received the observation letters regarding the draft Scheme of Arrangement from the BSE and the NSE on 17.12.2020.
- (c) That in the proposed Scheme of Arrangement, “Appointed Date” means “Effective Date” and “Effective Date”, *inter alia*, has been defined to be the date on which the certified copy of the order of this Tribunal approving the Scheme is filed with the Registrar of Companies, Kolkata. As per Circular F.No.7112/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs, New Delhi, the Appointed Date may be defined as a specific date or an event. Whether filing of certified copy of order of this Tribunal with Registrar of Companies can be reckoned as an event may kindly be considered as deemed fit and proper.
- (d) That as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the Scheme of Arrangement was forwarded to the Income Tax Department on 09.03.2021 with a request to forward their comments/observations/objections, if any, on the proposed Scheme of Arrangement, however till date, report has been received from the said Authority.
- (e) However, it has been reported that one complaint in physical mode dated 5.11.2020 has been received by the Registrar of Companies, West Bengal, a copy of which along with the report has been collectively marked and enclosed as Annexure ‘I’ to the said report.
25. The Petitioner Company submits that by a representation dated 28.04.2021 it replied to the said e-mail dated 27.04.2021 stating that the complaint annexed does not relate to the present Scheme of Arrangement at all but to

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a previous scheme for issue of Bonus Debentures by the Petitioner Company and that the company application being CA (CAA) No.1447/KB/2020 for the present Scheme of Arrangement and for which the Report of the Registrar of Companies has been made, was filed with this Tribunal only on 19.12.2020, *i.e.*, well after the receipt of the complaint on 05.11.2020. In any event, it is submitted by the Petitioner Company that the complainant is neither a shareholder or a debenture holder of the Petitioner Company and has no *locus standi* in the matter. By the said representation of 28.04.2021, the Petitioner Company pointed out that there was an obvious typographical error in the affidavit/representation of 27.04.2021, as no report had actually been received from the Income Tax authority.

26. Accordingly, by a further e-mail dated 28.04.2021, the RD filed supplementary representation/report on behalf of the Central Government stating that due to the Covid-19 situation, the said supplementary representation/report could not be notarised and sought dispensation of the same. Considering the ongoing pandemic situation, notarisation of the same is dispensed with by this Tribunal. The supplementary representation/report by the RD, which has also been served upon the Petitioner Company contains as follows:

(a) That in regard to para 2(a) of the earlier representation and in view of the clarification made by the Petitioner Company in rejoinder dated 28.04.2021 that the complaint in question as annexed to the report of the Registrar of Companies, West Bengal, does not relate to the present Scheme at all but to a previous Scheme of issue of Bonus Debentures. Further, the present Scheme of Arrangement was filed with this Tribunal on 19.12.2020, *i.e.*, after the above said complaint dated 05.11.2020, the Hon'ble Tribunal may peruse the same and issue order as deemed fit and proper but the Petitioner Company should undertake

to ensure proper filing of form CHG-9 pertaining to registration of charge in respect of the present issue of debenture.

(b) That in regard to para 2(b) and (c) of the earlier representation dated 27.04.2021, since the Petitioner Company has made no reference in its rejoinder dated 28.04.2021, the observations made earlier will same and continue.

27. It was submitted on behalf of the Petitioner Company that in the instant case there was no requirement for filing of form CHG-9 as the instant Scheme of Arrangement is for issue of unsecured debentures.

28. We have heard the arguments of Mr SN Mookherjee, Learned Senior Counsel for the Petitioner Company and Mr Harihar Sahoo, Joint Director in the office of the Regional Director (Eastern Region), Ministry of Corporate Affairs, Kolkata, representing the Central Govt. After going through the documents available on record and in absence of any objection, the following orders in terms of prayers made by the Petitioner Company are passed by this Tribunal:

(a) The Scheme of Arrangement (*being Annexure 'A' to the Petition*) is hereby sanctioned, with the Appointed Date fixed as the date on which copies of this order are filed with the Registrar of Companies, West Bengal, Kolkata, so as to be binding on the Petitioner Company and on its Members.

(b) The Petitioner Company shall file the Scheme of Arrangement within 30 days from the date of sealing of the certified copy of the order sanctioning the Scheme of Arrangement with the Registrar of Companies, West Bengal.

- (c) Liberty is given to the Petitioner Company and all other persons interested in this Petition to apply to this Tribunal for any direction that may be necessary.
29. In the event the Petitioner Company supplies legible computerised printout or soft copy of the Scheme of Arrangement in acceptable form to the Department, the Department will append such computerised print-out or the print-out from the soft copy, upon verification to the certified copy of the Order, without insisting on a physical copy thereof, so long as such soft copy is already authenticated with the digital signature of the authorised representative of the Petitioner Company.
30. Further, given the great surge of the Covid-19 pandemic, in case it is not possible to get a certified copy of this order from the Registry of this Tribunal, the RoC is directed to accept a digitally signed copy of this order, as if it has all the attributes of a certified copy of the order.
31. Accordingly, **CP (CAA) No.55/KB/2021** connected with CA (CAA) No. 1447/KB/2020 stands disposed of.
32. The Registry is directed to send e-mail copies of the order forthwith to the Petitioner Company and its counsel on record for information and for taking necessary steps.
33. Certified copy of this order be issued, if applied for, upon compliance of all the requisites formalities.

Harish Chander Suri  
Member (Technical)

Rajasekhar V.K.  
Member (Judicial)  
07.05.2021

Authenticated by digital signature

**Rajasekhar**  
V K

Digitally signed by  
Rajasekhar V K  
Date: 2021.05.11  
10:25:39 +05'30'