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**The
Bombay Burmah Trading Corporation, Limited.**

1998

One hundred and thirty-fourth annual report

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Certificate of Registration

KPMG Quality Registrar (A business unit of KPMG Peat Marwick LLP) Hereby Registers:

The Bombay Burmah Trading Corporation Ltd

Singampatti Group

Manjolai - P.O, Tirunelveli - 627420, Tamil Nadu, India

For its quality system described below under the American National Standards Institute
American Society for Quality Control

Q9002 (ISO9002:1994) Standard

The quality system is applicable to:

Production and supply of green and black teas from Oothu factory.

This registration is given subject to the conditions governing the use of this certificate as set forth in the agreement between KPMG Quality Registrar and the holder thereof.
Registration does not assure the effectiveness of or products produced by a quality system.



Certificate Number: 1000
Issue Date: October 21, 1997
Expiration Date: October 20, 2000

Daniel L. Brennan, Partner
KPMG Peat Marwick LLP
Short Hills, NJ USA

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ANNUAL GENERAL MEETING — 13TH AUGUST, 1998 AT
 "PATKAR HALL", SIR VITHALDAS THACKERSEY MARG,
 MUMBAI 400 020 — 3.30 p.m.

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ONE HUNDRED AND THIRTY-FOURTH ANNUAL REPORT
1997-98

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The Bombay Burmah Trading Corporation, Limited**The Bombay Burmah Trading Corporation, Limited****LOCATION OF CORPORATION'S
TEA/COFFEE ESTATES AND FACTORIES**

Tea and Coffee Estates	: (1) Mudis Group of Estates, Mudis P.O. 642 117, Coimbatore District, Tamil Nadu.
	(2) Singampatti Group of Estates — Manjolai P.O. 627 420, Tirunelveli District, Tamil Nadu.
	(3) Dunsandle Estate — Dunsandle P.O., Nilgiris, S. India.
	(4) Elk Hill Group of Estates — Post Box No. 12, Sidapur, P. & T.O. 571 253, South Coorg, Karnataka State.
	(5) Usambara Group, Herkulu Estate, P.O. Box 22, Soni, TANZANIA.
Formica India	: Akurdi, Pune 411 035.
Central India Board Products	: Pathrota Road, Itarsi 461 111.
BCL Springs	: M.I.D.C. Industrial Area, Plot F-12-A, Chikalthana, Aurangabad-431 210.
Afcoset Balances	: Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad-396 035.
Afcoset Scales	: Plot No. 2, Kanjur Village Road, Kanjur Marg (East), Mumbai-400 042.

DISTRIBUTION OF SHAREHOLDINGS (AS ON 31-3-1998)

Category of Shareholders	No. of Shares	Percentage
1. Companies and Bodies Corporate	83,59,030	59.90
2. Financial Institutions	22,12,610	15.86
3. Nationalised Banks	46,030	0.33
4. Foreign Institutional Investors	53,050	0.38
5. Individuals and Others	32,83,660	23.53
TOTAL	1,39,54,380	100.00
Total Number of Shareholders: 13237.		

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DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*
N. M. WAGLE, Esq., *Vice Chairman*
KESHUB MAHINDRA, Esq.
FIELD MARSHAL S. H. F. J. MANEKSHAW, M. C.
J. MATTHAN, Esq.
G. V. KAPADIA, Esq.
M. L. APTE, Esq.
D. E. UDWADIA, Esq.
P. K. CASSELS, Esq.
S. P. TAO, Esq.
B. N. B. TAO, Esq., *Alternate Director to Mr. S. P. TAO*
A. K. HIRJEE, Esq., *Managing Director*
M. C. MUTHANNA, Esq., *Executive Director*
R. P. BALSARA, Esq., *Executive Director*

SECRETARY

B. J. SHROFF, Esq.

REGISTERED OFFICE

9, WALLACE STREET, FORT, MUMBAI 400 001.
Tel. No. 207 9351 (4 lines)

PRINCIPAL BANKERS

UNION BANK OF INDIA
STANDARD CHARTERED BANK
ANZ GRINDLAYS BANK
THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED
BANQUE NATIONALE DE PARIS

AUDITORS

C. C. CHOKSHI & CO.
Chartered Accountants

SOLICITORS

CRAWFORD BAYLEY & CO.
UDWADIA, UDESHI, DESAI, BERJIS & CHINOY

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NOTICE

NOTICE is hereby given that the One Hundred and Thirty-Fourth Annual General Meeting of the Members of the Corporation will be held at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Thursday, the 13th day of August, 1998 at 3.30 p.m. for the purpose of transacting the following business:

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M. L. Apte, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. P. Tao, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. M. C. Muthanna, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. R. P. Balsara, who retires by rotation and, being eligible, offers himself for re-appointment.
7. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED that M/s. C. C. Chokshi & Co., Chartered Accountants, be and are hereby appointed Auditors of the Corporation from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Corporation, at a remuneration to be fixed by the Board of Directors."

8. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that the audit of the accounts of the South India Branches of the Corporation be carried out by M/s. Fraser & Ross, Chartered Accountants and that they be and are hereby appointed Branch Auditors for the current year at a remuneration to be fixed by the Board of Directors."

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to appoint in consultation with M/s. C. C. Chokshi & Co., the Corporation's Auditors, in respect of the audit of the accounts of the Corporation's branch offices outside India, a person who is either qualified for appointment as auditor of the Corporation under Section 226 of the Companies Act, 1956 or as accountant duly qualified to act as an auditor of the accounts of such branch offices, for the financial year ending 31st March, 1999 in accordance with the laws of the concerned countries and to fix the remuneration and the terms and conditions of their appointment as branch auditors."

9. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:

(A) Insert the following new Article as Article 5A after Article 5:

Power to issue shares with differential rights as to dividend, voting or otherwise.	5A. Subject to the provisions of the Act, and all other applicable provisions of law, the Company may issue shares, either equity or any other kind, with differential rights as to dividend, voting or otherwise in accordance with such Rules and subject to such conditions as may be prescribed and the Resolutions authorising such issue shall prescribe the terms and conditions of the issue.
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(B) Insert the following new Article as Article 24A after Article 24:

Power of the Company to buy back its own securities.	24A. Notwithstanding anything contained in these Articles, the Company shall have power subject to and in accordance with all applicable provisions of the Act to purchase or buy back its own shares or securities whether or not they are redeemable and may pay out of its capital for such purchase or buy-back."
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10. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Corporation (hereinafter referred to as the "Board"), the consent of the Corporation be and is hereby accorded to the Board to issue/offer Equity Shares and/or Convertible Debentures (fully or partly), and/or Non-Convertible Debentures, and/or Secured Premium Notes, and/or any other financial instruments, or any one or a combination of one or more of the aforesaid securities with or without detachable or non-detachable Warrants and/or Warrants of any nature with differential rights as to dividend, voting or otherwise in accordance with such rules, and subject to such conditions as may be permitted under the provisions of laws prevailing from time to time, at such price or prices and in such manner as the Board may in its absolute discretion deem appropriate, which securities when issued or allotted will ultimately enhance the Paid-up Equity Share Capital of the Corporation by an amount not exceeding 20% or such higher percentage of the expanded equity capital of the Corporation after such issue as may be permitted under the provisions of law prevailing from time to time, to the members, debentureholders, employees, institutions, companies, other entities or authorities or to such other persons as the Board may at its sole discretion determine, whether shareholders of the Corporation or not, and for such purposes including capital expenditure, working capital

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requirements, strategic investments, and acquisitions as the Board may deem appropriate, in one or more tranches, in consultation with the lead managers, underwriters, advisors and such other persons and on such terms and conditions including the number of securities to be issued, rate of interest, redemption period, manner of redemption, amount of premium on redemption, number of equity shares to be allotted on conversion/redemption, exercise of rights attached to Warrants, the ratio of exchange of shares and/or Warrants and/or any other financial instruments, period of conversion and other related and incidental matters as the Board may determine.

RESOLVED FURTHER that the Board be and is hereby authorised to dispose of such of these securities to be issued as are not subscribed to, to such person or persons and in such manner and on such terms and conditions as the Board may in its absolute discretion think fit and in the best interest of the Corporation including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/ Foreign Institutional investors, or such other persons or otherwise as the Board may in its absolute discretion determine.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, usual or proper or desirable and to settle any question, difficulty, or doubt whatsoever as may arise with regard to the offer, issue, allotment and utilisation of the proceeds and to finalise and execute all documents and writings as it may deem fit.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Corporation to give effect to the aforesaid Resolution."

11. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED that subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Corporation (hereinafter referred to as the "Board"), the consent of the Corporation be and is hereby accorded to the Board to purchase or buy back its own shares and/or other securities giving right to subscribe for shares of the Corporation from the existing securityholders on a proportionate basis and/or from the open market and/or from odd lots, that is to say, lots smaller than market lots of the securities and/or from the shares or securities issued to employees pursuant to a scheme of stock option, and/or other securities of the Corporation having such underlying voting rights as may be notified by the Central Government or any other regulatory authority from time to time (hereinafter referred to in short as "the securities"), from out of its free reserves or out of its securities premium account or out of the proceeds of any issue made by the Corporation specifically for the purpose, on such terms, conditions and

in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed 5% or such higher percentage of the respective securities of the Corporation as may be permissible under the provisions of the Companies Act as amended from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper or desirable and to settle any question, difficulty or doubt whatsoever as may arise in this regard.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Corporation to give effect to the aforesaid Resolution."

12. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and in accordance with the provisions of the Articles of Association of the Corporation and the Listing Agreements entered into by the Corporation with the Stock Exchanges where the shares of the Corporation are listed, and subject to the consent of all authorities and departments concerned if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Corporation (hereinafter referred to as "the Board"), at its sole discretion, the consent of the Corporation be and is hereby accorded to the Board to create, offer and issue, to or for the benefit of such person or persons (including Managing/Wholtime Directors) as are at the time of issue in the permanent employment of the Corporation, such number of equity shares of the Corporation of the face value of Rs. 10 each, not exceeding in number at any time, in the aggregate, 5% of the expanded equity capital of the Corporation after such issue, as the Board may deem fit, for subscription for cash, in one or more tranches, on terms as may be fixed and determined by the Board prior to the issue and offer thereof in consultation with such authorities as may be prescribed or in accordance with such guidelines or other provisions of law as may be prevailing at that time and otherwise ranking *pari passu* with the equity shares of the Corporation as then issued and in existence and on such other terms and conditions and at such time or times as the Board may in its absolute discretion and in the best interest of the Corporation deem fit; provided that the issue price of such shares shall be as determined by the Board in accordance with the prevailing laws and specified in the offer at that time; provided further that the aforesaid issue of Equity Shares may instead be in the form of fully or partly convertible debentures, bonds, equity warrants or other securities as may be permitted in law, from time to time and which are generally regarded as an Employee Stock Option Instrument by the Board and the issuance of such securities in the aggregate will result in not more than 5% of the expanded equity capital of the

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Corporation after such issue; provided also that the Board may in this behalf make or formulate a scheme for the provision of monies by the Corporation for the purchase or subscription of the shares or other securities as above in such manner as may be permitted under law.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, usual or proper or desirable and to settle any question, difficulty, or doubt whatsoever as may arise with regard to the offer, issue, allotment and utilisation of the proceeds and to finalise and execute all documents and writings as it may deem fit.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Corporation to give effect to the aforesaid Resolution."

By Order of the Board,
B. J. SHROFF
Secretary

Registered Office:

9, Wallace Street,
 Fort,
 Mumbai 400 001.

Dated, the 30th day of June, 1998.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATION.
2. In respect of Item Nos. 9 to 12 an Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Corporation will remain closed from 16th July, 1998 to 5th August, 1998 (both days inclusive).
4. Warrants in respect of dividend, if declared, will be posted to the Members on or after 14th August, 1998. Dividend will be payable on and from that date to those Members whose names appear in the Register of Members at the close of business on 5th August, 1998.
5. Dividends declared by the Corporation for the year ended 31st March, 1994 and made payable on and from 19th August, 1994 having not been claimed by some of the Members within a period of three years, have been transferred to the General Revenue Account of the Central Government with Punjab National Bank as required under Section 205A(5) of the Companies Act, 1956. The concerned Members who have not claimed the above dividends have been accordingly informed separately.
6. Members who have not claimed dividends declared by the Corporation for the years ended 31st March, 1995, 31st March, 1996 and 31st March, 1997 are being individually informed separately.