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

1999

One hundred and thirty-fifth annual report

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**ANNUAL GENERAL MEETING — 3RD AUGUST, 1999 AT
"BIRLA MATUSHRI SABHAGAR", 19, SIR VITHALDAS THACKERSEY MARG,
MUMBAI 400 020 — 3.45 p.m.**

The Bombay Burmah Trading Corporation, Limited

ONE HUNDRED AND THIRTY-FIFTH ANNUAL REPORT 1998-99

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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 31-3-1999)

Category of Shareholders	No. of Shares	Percentage
1. Companies and Bodies Corporate	83,74,260	60.01
2. Financial Institutions	21,34,690	15.30
3. Nationalised Banks	44,340	0.32
4. Foreign Institutional Investors	77,800	0.56
5. Individuals and Others	33,23,290	23.81
TOTAL	1,39,54,380	100.00
Total Number of Shareholders: 13,558.		

The Bombay Burmah Trading Corporation, Limited**ANNUAL REPORT 1998-99****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.
K. R. V. PARAMESHWAR Esq., *Managing Director*
M. C. MUTHANNA, Esq., *Executive Director*
R. P. BALSARA, Esq., *Executive Director*

SECRETARY

N. H. DATANWALA, 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 & BERJIS

The Bombay Burmah Trading Corporation, Limited

NOTICE

NOTICE is hereby given that the One Hundred and Thirty-Fifth Annual General Meeting of the Members of the Corporation will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020, on Tuesday, the 3rd day of August, 1999 at 3.45 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, 1999 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. N. M. Wagle, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Keshub Mahindra, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. G. V. Kapadia, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. D. E. Udawadia, who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. A. K. Hirjee, who was appointed as an Additional Director of the Corporation and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 but being eligible, offers himself for re-appointment and in respect of whom the Corporation has received from a Member a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
8. To appoint a Director in place of Mr. K.R.V. Parameshwar who was appointed as an Additional Director of the Corporation and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 but being eligible, offers himself for re-appointment and in respect of whom the Corporation has received from a Member a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director.
9. 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."
10. 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."

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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, 2000 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."

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

"RESOLVED that pursuant to Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the said Act, the appointment of Mr. K. R. V. Parameshwar as the Managing Director of the Corporation for a period of five years with effect from 1st October, 1998 at the remuneration and upon the terms and conditions set out in the Agreement dated 6th October, 1998 as amended by the Supplemental Agreement dated 25th May, 1999 entered into between the Corporation and Mr. K. R. V. Parameshwar, be and the same is hereby approved.

RESOLVED FURTHER that subject to the approval of the Central Government pursuant to Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby granted to the payment to Mr. K. R. V. Parameshwar, the Managing Director, of a sum of Rs. 4,39,025 for the period from 1st October, 1998 to 31st March, 1999 being remuneration in excess of the maximum remuneration payable under Section II, Part II of Schedule XIII to the Companies Act, 1956."

By Order of the Board,
N. H. DATANWALA
Secretary

Registered Office :
9, Wallace Street,
Fort,
Mumbai 400 001.

Dated, the 25th day of May, 1999.

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. 7, 8 & 11 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 13th July, 1999 to 3rd August, 1999 (both days inclusive).
4. Warrants in respect of dividend, if declared, will be posted to the Members on or after 5th August, 1999. 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 3rd August, 1999.

The Bombay Burmah Trading Corporation, Limited

5. Dividends declared by the Corporation for the year ended 31st March, 1995 and made payable on and from 21st July, 1995 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.

Consequent upon amendment in Section 205-A of the Companies Act, 1956, and introduction of Section 205-C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1996, or any subsequent dividend payment(s) are requested to make their claim to the Corporation.

6. A recent amendment to the Companies Act, 1956 has introduced provisions for nomination by the holders of Shares, Debentures and Fixed Deposits. The prescribed nomination form can be obtained from the Corporation's Share Department. The members may take advantage of this facility.
7. The Corporation's Equity Shares are listed at (1) The Stock Exchange, Mumbai, (Regional Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and (2) National Stock Exchange of India Limited, Trade World, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. The Annual Listing Fee as prescribed has been paid to each of these Stock Exchanges.



EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Item Nos. 7, 8 & 11 mentioned in the accompanying Notice dated the 25th May, 1999.

Item No. 7:

Mr. A. K. Hirjee was appointed as an Additional Director with effect from 1st October, 1998 by the Board of Directors of the Corporation pursuant to Article 113 of the Corporation's Articles of Association. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting. The Corporation has received a Notice from a Member signifying his intention to propose Mr. A. K. Hirjee as a candidate for the office of Director of the Corporation, alongwith a deposit of Rs. 500/- as required under Section 257 of the Companies Act, 1956.

Mr. A. K. Hirjee was Managing Director of the Corporation from 1st October, 1988 to 30th September, 1998 during which period he rendered valuable services to the Corporation. It is considered desirable and in the interest of the Corporation that the Board should continue to receive the benefit of his services.

Mr. A. K. Hirjee is interested in the resolution at Item No. 7 since it relates to his own appointment.

Item Nos. 8 & 11:

Mr. K. R. V. Parameshwar was appointed as an Additional Director with effect from 1st October, 1998 by the Board of Directors of the Corporation pursuant to Article 113 of the Corporation's Articles of Association. Mr. K. R. V. Parameshwar is a well qualified Professional with more than 22 years of managerial experience with large corporate houses/multinational at Senior level. Pursuant to Section 260 of the Companies Act, 1956, Mr. K. R. V. Parameshwar holds the office of Director upto the date of this Annual General Meeting. The Corporation has received a Notice from a Member signifying his intention to propose Mr. K. R. V. Parameshwar as a candidate for the office of Director of the Corporation, alongwith a deposit of Rs. 500/- as required under Section 257 of the Companies Act, 1956.

The Board has, subject to the Members' approval in General Meeting, appointed Mr. K. R. V. Parameshwar as the Managing Director of the Corporation on retirement of Mr. A. K. Hirjee for a period of five years from 1st October, 1998 upon the remuneration including perquisites and other terms and conditions set out in the Agreement dated 6th October, 1998 as amended by the Supplemental Agreement dated 25th May, 1999 referred to in the Resolution at Item No.11 of the Notice.

The remuneration including perquisites payable to Mr. K. R. V. Parameshwar is in conformity with the requirements of Schedule XIII to the Companies Act, 1956. Consequently, no approval of the Central Government is required for his appointment.

The material provisions of the Agreements relating to Mr. K. R. V. Parameshwar's appointment referred to in the Resolution at Item No.11 of the Notice are as under:

1. Mr. K. R. V. Parameshwar to serve the Corporation as its Managing Director for a term of five years from 1st October, 1998, unless previously determined in pursuance of any of the provisions of the Agreements.

The Bombay Burmah Trading Corporation, Limited

2. The Managing Director to carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Corporation (hereinafter called "the Board") shall from time to time, in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Managing Director to have the general control of the business of the Corporation and to be vested with the management and day-to-day affairs of the Corporation.
3. The Corporation to pay to Mr. K. R. V. Parameshwar as Managing Director :
 - (a) **Salary:**
Rs.16,20,000/- per annum with power to the Board of Directors to grant such increments from time to time as it may at its discretion determine, provided however that the salary per annum shall not exceed Rs. 20,00,000/-.
 - (b) **Commission:**
Such Commission over and above the salary as the Board of Directors may at its sole discretion determine.
 - (c) Subject always to the limits contained in Sections 198 and 309 of the Companies Act, 1956 such remuneration by way of salary, allowances, commission on profits and/or performance bonus, as may be determined by the Board from time to time, which shall not exceed a maximum limit of Rs. 35,00,000/- per annum provided however that:
 - (i) In addition to the above remuneration Mr. K. R. V. Parameshwar shall also be entitled to perquisites such as partly furnished accommodation, business promotion expenses, soft furnishing, house maintenance, gas & electricity, servants wages, subscription to books and periodicals, medical reimbursement and leave travel assistance for self and family, club subscription (excluding entrance fees), medical insurance and other benefits and amenities in accordance with the Rules of the Corporation, the monetary value of such perquisites being restricted to Rs. 10,00,000/- per annum.
 - (ii) For the purposes of computing the aforesaid ceiling, perquisites shall be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Corporation's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.
 - (iii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund not exceeding 27% of the remuneration shall not be included in the computation of the ceiling on the remuneration, payable as aforesaid.
4. (a) The Managing Director not to be paid any sitting fees for Meetings of the Board or of any Committee thereof attended by him.
- (b) Where in any financial year during the currency of tenure of Mr. K. R. V. Parameshwar as the Managing Director, the Corporation has no profits or its profits are inadequate, Mr. K. R. V. Parameshwar to be entitled, subject to the approval of the Central Government, to the above remuneration, notwithstanding that the same is in excess of maximum remuneration permitted to be paid to him