



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

**2000-2002**

**One hundred and thirty-seventh annual report**

## Annual Report 2000-2002

ANNUAL GENERAL MEETING — 12TH JUNE, 2002 AT  
PATKAR HALL, SIR VITHALDAS THACKERSEY MARG,  
MUMBAI 400 020 — 4.00 p.m.

## The Bombay Burmah Trading Corporation, Limited

### ONE HUNDRED AND THIRTY-SEVENTH ANNUAL REPORT

2000-2002

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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, South 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.
Malaysian Branch	: Suit 628, 6th Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.

**The Bombay Burmah Trading Corporation, Limited****ANNUAL REPORT 2000-2002****DIRECTORS**

NUSLI N. WADIA, Esq., *Chairman*  
A. K. HIRJEE, Esq. *Vice Chairman*  
KESHUB MAHINDRA, Esq.  
FIELD MARSHAL S. H. F. J. MANEKSHAW, M. C.  
J. MATTHAN, 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  
J. N. WADIA, Esq., (w.e.f. 25-7-2001)

**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 GRINDLAYS BANK LIMITED  
HDFC BANK LIMITED

**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-Seventh Annual General Meeting of the Members of the Corporation will be held at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Wednesday, the 12th day of June, 2002 at 4.00 p.m. for the purpose of transacting the following business:

1. To consider and adopt the Profit and Loss Account for the 18 months period ended 31st March, 2002 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mr. M. L. Apte who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. K. Cassels 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. J. N. Wadia, 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.

6. 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."

7. 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 financial 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 current financial year in

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accordance with the laws of the concerned countries and to fix the remuneration and the terms and conditions of their appointment as branch auditors."

8. 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. D. J. Daruvala as the Manager of the Corporation designated as Vice President-Plantations for a period of 2 years with effect from 1st August, 2001 upon the remuneration and other terms as set out in the draft Agreement between the Corporation and Mr. D. J. Daruvala, placed before the meeting and initialled by the Chairman for the purpose of identification, be and the same is hereby approved.

RESOLVED FURTHER that the Directors of the Corporation be and are hereby authorised to enter into an Agreement on behalf of the Corporation with Mr. D. J. Daruvala in terms of the aforesaid draft."

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

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Corporation held on 6th September, 1989 and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Corporation be and is hereby accorded to the Board of Directors of the Corporation borrowing from time to time any sum or sums of money not exceeding at any time the sum of Rupees One Hundred crores over the aggregate of the paid-up capital of the Corporation and its free reserves on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Corporation apart from the temporary loans obtained from the Corporation's bankers in the ordinary course of business will exceed the aggregate of the paid-up capital of the Corporation and its free reserves, that is to say, reserves not set apart for any specific purpose."

By Order of the Board,

**N. H. DATANWALA**  
Secretary

*Registered Office:*

9, Wallace Street,

Fort,

Mumbai 400 001.

Dated, the 10th day of May, 2002.

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.

**The Bombay Burmah Trading Corporation, Limited**

2. In respect of Item Nos. 5, 8 and 9, 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 23rd May, 2002 to 12th June, 2002 (both days inclusive).
4. 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 submit their claim to the Corporation.
5. The amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund in accordance with Section 205A of the Companies Act, 1956.
6. The Corporation's Equity Shares are listed at (1) BSE (Regional Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and (2) National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. The Annual Listing Fee as prescribed has been paid to each of these Stock Exchanges.
7. Pursuant to the requirements of paragraph VI(A) of Clause 49 of the Listing Agreement, details of the three Directors retiring by rotation and eligible for re-appointment are furnished below:

**Mr. Madhav L. Apte:**

Mr. Madhav L. Apte, 69, is a Bachelor of Arts from Mumbai University. Mr. Apte is a well known Industrialist and well connected with textile and sugar industry.

Mr. Apte is former Sheriff of Bombay and Ex-President of Cricket Club of India. He is the Trustee of Victoria Memorial School for the Blind and of Mahalaxmi Temple Charities. He was also President of Indian Sugar Mills Association and Bombay Chambers of Commerce.

Mr. Apte has been a director of the Corporation for the past 16 years.

**Nature of Expertise:**

Overall experience of running Sugar and Textile Industry.

**Outside Directorships:**

Apte Amalgamations Ltd. (Chairman), Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., Thomas Cook (India) Ltd., Lintas India Ltd., New Phaltan Sugar Works Ltd., Standard Industries Ltd., The Raja Bahadur Poona Mills Ltd., Grasim Industries Ltd., Zodiac Clothing Co. Ltd., The Sangli Planters Pvt. Ltd. and Tata TD Waterhouse Asset Management Pvt. Ltd.

**Committee Membership:** Share Transfer Committee of the Boards of Thomas Cook (India) Ltd. and Zodiac Clothing Co. Ltd., Shareholders'/Investors' Grievance Committee of the Board of The Bombay Burmah Trading Corporation, Ltd., Audit

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Committee of the Boards of Grasim Industries Ltd. and Zodiac Clothing Co. Ltd. and Recruitment and Remuneration Committee of the Board of Thomas Cook (India) Ltd.

**Mr. P. K. Cassels:**

Mr. P. K. Cassels, 63, is a Timber Merchant from Malaysia who was the Managing Director of The North Borneo Timbers, Berhad, an associated company of The Bombay Burmah Trading Corporation, Limited and thereafter of Leila Lands Sendirian Berhad, a subsidiary of The Bombay Burmah Trading Corporation, Limited, incorporated in Malaysia. He has vast experience of plantation activities and he advises the Corporation from time to time with regard to rubber plantation activities in Indonesia.

Mr. Cassels has been a director of the Corporation for the past 15 years.

**Nature of Expertise:**

Plantation products and Timber.

**Outside Directorships** (of companies incorporated in India): Nil.

**Committee Membership:** Mr. P. K. Cassels is not a Member of any committee of the Board.

**Mr. S. P. Tao:**

Mr. S. P. Tao, 85, a citizen of the Republic of Singapore, is a Merchant/Property Developer. He was Director of The North Borneo Timbers, Berhad, an associated company of The Bombay Burmah Trading Corporation, Limited.

In 1954, he engaged in commodity trading in Rangoon, Burma and was Managing Director of Export Services Limited, Burma. In 1962, he created Ocean Shipping & Enterprises Limited in Hong Kong and Singapore, an operator and owner of a fleet of vessels. In 1970, he expanded into property by heading Singapore Land Ltd., listed on the Stock Exchange of Singapore. He owned Shing Kwan Group of companies, and has invested in properties in Sri Lanka, Indonesia, China and Singapore.

He is currently the chairman of Overseas Realty (Ceylon) Ltd. listed on Colombo stock Exchange, Shanghai World Trade City in Shanghai and Shing Kwan Group of companies.

Mr. Tao has been a director of the Corporation for the past 14 years.

**Nature of Expertise:**

Property Development.

**Outside Directorships** (of companies incorporated in India): Nil.

**Committee Membership:** Mr. S. P. Tao is not a Member of any committee of the Board.



**The Bombay Burmah Trading Corporation, Limited****EXPLANATORY STATEMENT**

*Pursuant to Section 173 of the Companies Act, 1956.*

**Item No. 5:**

Mr. J. N. Wadia was appointed an Additional Director with effect from 25th July, 2001 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 only upto the date of the forthcoming Annual General Meeting. The Corporation has received a Notice from a Member signifying his intention to propose Mr. J. N. Wadia 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. J. N. Wadia is the son of the Chairman of the Corporation – Mr. N. N. Wadia.

Mr. J. N. Wadia, 28, is 'Master of Science' from Coventry, U.K. He has business/management experience of nearly ten years and has conceptualised various new ventures for the Wadia Group in Information Technology Sector. His objective is to create value through innovation, sustainable execution plans and maintenance strategies for the shareholders.

**Nature of Expertise:**

General Management — Planning & Control and Information Technology.

**Outside Directorships:**

Citurgia Biochemicals Ltd., Nowrosjee Wadia & Sons Ltd., Gherzi Eastern Ltd., Nelito Systems Ltd., Global Infotech Securitas Pvt. Ltd. (Chairman), Paradiso De Anjuna Entertainment Pvt. Ltd. (Chairman), Integrated Clinical Research Sciences Pvt. Ltd. (Chairman), Virtual Education Network Pvt. Ltd. (Chairman) and Edu.Net.Ind. Network Private Ltd. (Chairman).

**Committee Membership:**

Shareholders'/Investors' Grievance Committee of the Board of The Bombay Burmah Trading Corporation Ltd.

It is considered desirable and in the interest of the Corporation that the Board should receive the benefit of his services.

Mr. N. N. Wadia is interested in the resolution at Item No. 5 since it relates to his son's appointment.

Mr. J. N. Wadia is interested in the resolution at Item No. 5 since it relates to his own appointment.

**Item No. 8:**

Mr. D. J. Daruvala, Vice President – Plantations has been in the services of the Corporation for over 31 years. He has during these years, acquired extensive knowledge and experience of the Corporation's operations.

The Board has, subject to the Members' approval in General Meeting appointed Mr. D. J. Daruvala as the Manager of the Corporation designated as Vice President – Plantations

for a period of two years with effect from 1st August, 2001 upon the remuneration including perquisites and other terms and conditions set out in the draft Agreement referred to in the Resolution at Item No. 8 of the Notice.

The remuneration including perquisites payable to Mr. D. J. Daruvala 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 draft Agreement relating to Mr. D. J. Daruvala's appointment referred to in the Resolution at Item No. 8 of the Notice are as under:

1. Mr. D. J. Daruvala to serve the Corporation as Manager (designated as Vice President-Plantations) for a term of two years with effect from 1st August, 2001 unless previously determined in pursuance of any of the provisions of the Agreement.
2. Mr. D. J. Daruvala to carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Corporation (hereinafter called "the Board") and/or the Managing Director and/or the Vice Chairman shall, from time to time, in its absolute discretion determine and entrust to him and for this purpose may suitably designate/redesignate him.
3. Mr. D. J. Daruvala to devote his whole time and attention to the business of the Corporation and exert his best endeavours to promote its interest and welfare.
4. Mr. D. J. Daruvala to undertake such travelling in and outside India as may be necessary in the interest of the Corporation's business or as may from time to time be required or directed by the Board and/or the Managing Director and/or the Vice Chairman in connection with or relation to the business of the Corporation.

Mr. D. J. Daruvala to be entitled to reimbursement of all expenses including travelling, entertainment/business promotion and other out of pocket expenses incurred in the course of the Corporation's business.

5. Mr. D. J. Daruvala to be entitled to the following remuneration, benefits and perquisites subject to the limits laid down under Schedule XIII to the Companies Act, 1956.

(i) Salary: Rs. 24,000/- per month.

(ii) Commission : Such commission over and above the salary as the Board may at its sole discretion determine.

PROVIDED HOWEVER subject always to the limits contained in Sections 198 and 309 of the Companies Act, 1956 the Corporation may, at its sole discretion, pay by way of salary, allowances, commission on profits and/or bonus, as may be determined by the Board, from time to time, such sum not exceeding Rs. 7,20,000/- per annum.

- (iii) In addition to the above remuneration, Mr. D. J. Daruvala also to be entitled to perquisites such as furnished accommodation or house rent allowance, gas, electricity, water, furnishings, medical reimbursement, leave travel concession for self and family, club 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. 3,60,000/- per annum.

For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of