



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

2004-2005

One hundred and fortieth annual report

**ANNUAL GENERAL MEETING — 26TH JULY, 2005 AT
PATKAR HALL, SIR VITHALDAS THACKERSEY MARG,
MUMBAI 400 020 — 3.45 p.m.**

The Bombay Burmah Trading Corporation, Limited

ONE HUNDRED AND FORTIETH ANNUAL REPORT 2004-2005

CONTENTS

	<i>Page</i>
The Bombay Burmah Trading Corporation, Limited	1
Location of Corporation's Tea/Coffee Estates and Factories	2
Board of Directors	3
Notice of Annual General Meeting	4-9
10 Years' Financial Review	10
Directors' Report	11-17
Section 212 Statement	18-19
Management Discussion and Analysis	20-25
Corporate Governance	26-36
Auditors' Report	37-41
Balance Sheet	42
Profit and Loss Account	43
Schedules 1 to 21	44-71
Cash Flow Statement	71-72
Auditors' Report on Consolidated Financial Statements	73
Consolidated Balance Sheet	74
Consolidated Profit and Loss Account	75
Schedules 1 to 21, forming part of Consolidated Balance Sheet and Profit and Loss Account	76-97
Consolidated Cash Flow Statement	98-99
Summarised Statement of financials of Subsidiary Companies	100-101

The Bombay Burmah Trading Corporation, Limited

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**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., Ootacamund 643 005 Nilgiri Dist., Tamil Nadu State.
	(4) Elk Hill Group of Estates — Post Box No. 12, Sidapur, P. & T.O. 571 253, South Coorg, Karnataka State.
	(5) Usambara Group, Marvera and Herkulu Estates, P.O. Box 22, Soni, Tanzania.
Formica India	: Akurdi, Pune 411 035, Maharashtra State.
BCL Springs	: M.I.D.C. Industrial Area, Plot F-13, Chikalthana, Aurangabad-431 210, Maharashtra State.
	: K-103, MIDC, Waluj, Aurangabad-431 133, Maharashtra State.
Afcoset Balances	: Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad-396 035, Gujarat State.
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 2004-2005

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*
A. PANJWANI, Esq., *Managing Director*
J. N. WADIA, Esq., *Deputy Managing Director*

SECRETARY

N. H. DATANWALA, Esq.

REGISTERED OFFICE

9, WALLACE STREET, FORT, MUMBAI 400 001.
Tel. No. 2207 9351 (4 lines)

PRINCIPAL BANKERS

HDFC BANK LIMITED
UTI BANK LIMITED
KOTAK MAHINDRA BANK LIMITED

AUDITORS

C. C. CHOKSHI & CO.
Chartered Accountants

SOLICITORS

CRAWFORD BAYLEY & CO.
UDWADIA & UDESHI

The Bombay Burmah Trading Corporation, Limited

NOTICE

NOTICE is hereby given that the One Hundred and Fortieth Annual General Meeting of the Members of the Corporation will be held at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Tuesday, the 26th day of July, 2005 at 3.45 p.m. for the purpose of transacting the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2005 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare 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. P. K. Cassels, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. S. P. Tao, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint M/s. C.C. Chokshi & Co., Chartered Accountants, as Auditors and to authorise the Board of Directors to fix their remuneration.
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the audit of the accounts of the branches of the Corporation in South India, be carried out by M/s. Fraser & Ross, Chartered Accountants, and that they be and are hereby appointed as the 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 an accountant duly qualified to act as an auditor of the accounts of such branch offices, for the current financial year 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."

8. To consider and, if thought fit, to pass, with or without modification, 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 12th June, 2002 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 to borrow from time to time any sum or sums of money not exceeding at any time the sum of Rupees Two Hundred crores over and above 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."

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

"RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting held on 10th September, 1991 and pursuant to Section 293(1)(e) of the Companies Act, 1956, consent of the Corporation be and is hereby accorded to the Board of Directors of the Corporation to contribute moneys on and from the financial year commencing on 1st April, 2005 to charitable and other funds not directly relating to the business of the Corporation or the welfare of its employees, provided however, the aggregate amount of such contributions shall not in any one financial year exceed Rs. 1 crore or 5 per cent of the Corporation's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the said Act, during the three financial years immediately preceding, whichever is greater."

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

"RESOLVED THAT pursuant to the proposed revision in Clause 49 of the Listing Agreement with the Stock Exchanges, consent of the Corporation be and is hereby accorded to the payment to the non-executive Directors of the Corporation of Rs. 5,000/- (Rupees Five Thousand only) or such other amount as may be approved by the Board of Directors from time to time but not exceeding the limit prescribed under the Companies Act, 1956 for each meeting of the Board of Directors and/or Committee(s) thereof attended by them."

By Order of the Board,

N. H. DATANWALA
Secretary

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

Dated, the 24th day of May, 2005

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. 8 to 10, 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 Tuesday, 12th July, 2005 to Tuesday, 26th July, 2005 (both days inclusive).
4. Warrants in respect of Dividend, if declared, will be paid to the Members on or after 2nd August, 2005. 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 26th July, 2005. In respect of shares held in dematerialised form in the depository system, the Dividend will be paid to the beneficial owner(s) as per the list provided by the depositories for this purpose.
5. Members are requested to immediately notify the Registrars and Share Transfer Agents or the Depository Participants (in case of shares which have been dematerialised) of any change in their address and/or bank account details to ensure correct and prompt receipt of the Dividend warrants.

The Bombay Burmah Trading Corporation, Limited

6. Members are advised, in their own interest that all communications to the Corporation or its Registrars and Share Transfer Agents which would have the effect of amending the permanent details of their ledger folio, should be signed by all the Members registered under that ledger folio.
7. Members who have not encashed the Dividend warrant(s) so far for the financial year ended 31st March, 1998, or any subsequent dividend payment(s) are requested to make their claim to the Corporation.
8. All amounts transferred to the Unpaid Dividend Account of the Corporation and remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund, together with interest accrued thereon, in accordance with Section 205C of the Companies Act, 1956.
9. The Corporation has listed its equity shares 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/I, '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.
10. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
11. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting as the same will not be distributed at the meeting.
12. Requirement under the Listing Agreement:

Pursuant to the requirement of paragraph VII (F) of Clause 49 of the Listing Agreement, the required information pertaining to the three Directors, Mr. M. L. Apte, Mr. P. K. Cassels and Mr. S. P. Tao, who retire by rotation and being eligible, offer themselves for re-appointment, is furnished below:

Mr. Madhav L. Apte:

Mr. Madhav L. Apte, 72, 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 a former Sheriff of Bombay and an Ex-President of the Cricket Club of India. He is a Trustee of the Victoria Memorial School for the Blind and of the Mahalaxmi Temple Charities. He was also President of Indian Sugar Mills Association and Bombay Chambers of Commerce and Industry.

Mr. Apte has been a Director of the Corporation for the past 19 years.

Mr. Apte does not hold any shares of the Corporation either by himself or beneficially for any other person.

Outside Directorships:

Apte Amalgamations Ltd. (Chairman), Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., New Phaltan Sugar Works Ltd., Standard Industries Ltd., The Raja Bahadur Poona Mills Ltd., Grasim Industries Ltd., Zodiac Clothing Co. Ltd. and 3 private companies.

Committee Membership : Share Transfer/Shareholders' - Investors' Grievance Committee of the Boards of Zodiac Clothing Co. Ltd. and the Corporation, Audit Committee of the Boards of Grasim Industries Ltd. and Zodiac Clothing Co. Ltd. and Remuneration Committee of the Board of Bajaj Hindustan Ltd. and Standard Industries Ltd.

Mr. P. K. Cassels:

Mr. P. K. Cassels, 66, is a timber merchant from Malaysia. He was the Managing Director of The North Borneo Timbers, Berhad, an associated company of the Corporation, and thereafter of

Leila Lands Sendirian Berhad, a subsidiary of the Corporation, incorporated in Malaysia. He has vast experience in plantation activities and he advises the Corporation from time to time with regard to rubber plantation activities in Indonesia.

Mr. P. K. Cassels has been a Director of the Corporation for the past 18 years.

Mr. Cassels does not hold any shares of the Corporation either by himself or beneficially for any other person.

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, 88, a citizen of the Republic of Singapore, is a merchant/property developer. He was a Director of The North Borneo Timbers, Berhad, an associated company of the Corporation.

In 1954, he engaged in commodity trading in Rangoon and Burma, and was the Managing Director of Export Services Limited, Burma. In 1962, he set up 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.

Mr. S. P. Tao has been a Director of the Corporation for the past 17 years.

Mr. Tao does not hold any shares of the Corporation either by himself or beneficially for any other person.

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**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT***Pursuant to Section 173 of the Companies Act, 1956.***Item No. 8:**

At the Annual General Meeting of the Corporation held on 12th June, 2002 the Members, pursuant to Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Corporation to borrow moneys from time to time upto a limit of Rupees One Hundred crores over and above the aggregate of the paid-up capital and free reserves apart from the temporary loans obtained from the Corporation's bankers in the ordinary course of business.

In order to provide for additional funds that may be needed for future modernisation/expansion/diversification activities, it is proposed to increase the limit to Rupees Two Hundred crores over and above the aggregate of the paid-up capital and free reserves of the Corporation apart from the temporary loans obtained from the Corporation's bankers in the ordinary course of business. Accordingly, the sanction of the Members under Section 293(1)(d) of the Companies Act, 1956 is being requested to enable the Directors to borrow moneys upto the above increased limit. The Resolution at item no. 8 of the Notice, if passed, would be in supersession of the earlier Resolution passed by the Members at the Annual General Meeting of the Corporation held on 12th June, 2002.

Item No. 9:

At the Annual General Meeting held on 10th September, 1991, the Members, pursuant to Section 293(1)(e) of the Companies Act, 1956, authorised the Corporation to contribute to charitable and other funds by making donations/contributions from time to time upto Rupees Fifty lakhs in any financial year or five per cent of the net profits during the three financial years immediately preceding, whichever is greater. Such donations/contributions are made as a measure of commercial expediency and to promote the goodwill of the Corporation:

In view of the increasing demands on the Corporation for such support and assistance from various trusts and institutions with the normal growth of the Corporation's activities, the Board of Directors are of the opinion that the authority of the Members should be obtained for making donations in any financial year upto Rupees One crore or five per cent of the net profits during the three financial years immediately preceding, whichever is greater. Accordingly, a Resolution under Section 293(1)(e) of the Companies Act, 1956, is proposed to be moved for approval of the Members. The Resolution at item no. 9 of the Notice, if passed, would be in supersession of the Resolution passed at the aforesaid Annual General Meeting.

Item No. 10:

One of the requirements stipulated under the proposed revision in Clause 49 of the Listing Agreement with Stock Exchanges is that all the fees/compensation payable to non-executive Directors, including the independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the Members in the General Meeting.

At present, the Corporation is paying all the non-executive Directors of the Corporation, sitting fees of Rs. 5,000/- (Rupees Five Thousand only) for each meeting of the Board of Directors and/or committee(s) thereof, attended by them pursuant to Article 115(3) of the Articles of Association of the Corporation.

Pursuant to Section 309 of the Companies Act, 1956, the Corporation passed a Special Resolution in its Annual General Meeting held on 10th September, 2003 for payment of commission to its Directors (other than the Managing Director, Deputy Managing Director or Whole-time Director) upto 1% of the net profits of the Corporation and in case the Corporation

Annual Report 2004-2005

does not have a Managing Director, Deputy Managing Director or Whole-time Director, then payment of commission to its Directors upto 3% of the net profits of the Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for each of the five financial years commencing 1st April, 2003. However, due to inadequacy of profits, no commission has been paid by the Corporation for the financial years 2003-2004 and 2004-2005.

In view of the proposed revision in Clause 49 of the Listing Agreement, approval of the Members is being sought for payment to the non-executive Directors of the Corporation of Rs. 5,000/- (Rupees Five Thousand only) or such other amount as may be approved by the Board of Directors from time to time but not exceeding the limit prescribed under the Companies Act, 1956 for each meeting of the Board of Directors and/or Committee(s) thereof attended by them.

All the non-executive Directors of the Corporation except Mr. Ashok Panjwani, the Managing Director and Mr. Jeh Wadia, the Deputy Managing Director of the Corporation may be deemed to be concerned or interested in the Resolution at item no. 10 of the Notice to the extent of the fees, if any, that may be paid to them by the Board in pursuance of the said Resolution.

By Order of the Board,

N. H. DATANWALA
Secretary

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

Dated, the 24th day of May, 2005

