



The Bombay Burmah Trading Corporation, Ltd.

A Wadia Enterprise

Annual Report 2012-2013

1863



2013

Journey of Success

# The Bombay Burmah Trading Corporation, Ltd.

A 150 year legacy built on Credibility, Trust and Integrity. An Organization that balances commercial objectives with environmental and social responsibilities to generate enduring value for all its stakeholders.



# Chairman's Message

Dear Shareholders,

On 3rd September 2013 your Company will achieve the distinction of being the first Indian Company to complete 150 years as a company listed on BSE.

Through these long years, the Corporation has witnessed many challenging situations including two World Wars, the Great Depression, the independence of our country, the emergence of the European Union and the rise of the tiger economies in the East. The Board and Management of the Corporation have not only been able to adapt to these challenging conditions but have also been able to ensure that the Corporation today is stronger than it has ever been.

The past fifty years have seen a number of changes in the business portfolios of the Corporation. Overseas companies like North Borneo Timbers and P.T. Indo Java have been divested and Britannia Industries has been bought into the fold as a subsidiary.

I have had the pleasure and privilege of being involved with the Corporation for thirty three of these last fifty years and can assure you that we stand committed to the values of teamwork, trust and integrity and to serve you, our esteemed Shareholders, and all other stakeholders.

I would like to thank all those who over the years, have served with the Corporation, our Directors, Managers, Employees and Stakeholders in different parts of the world, for their contribution to the Corporation. Most important, I would like to thank you dear Shareholders, for the support you have given to us throughout these 150 years.

I am convinced that the best is yet to come.

Nusli Wadia.

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148th Annual General Meeting  
Wednesday, 7th August 2013, 3.45pm; Rama Watumull Auditorium K.C. College,  
Dinshaw Vachha Road, Churchgate, Mumbai 400 020

# The Bombay Burmah Trading Corporation, Limited

## ANNUAL REPORT 2012-2013

### DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*  
A. K. HIRJEE, Esq., *Vice Chairman*  
KESHUB MAHINDRA, Esq.  
M. L. APTE, Esq.  
D. E. UDWADIA, Esq.  
P. K. CASSELS, Esq.  
B. N. B. TAO, Esq.  
JEH WADIA, Esq.  
VINITA BALI  
A. PANJWANI, Esq., Managing Director  
NESS WADIA, Esq., Managing Director

### VICE PRESIDENT CORPORATE & COMPANY 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  
AXIS BANK LIMITED

### AUDITORS

B S R & CO.  
Lodha Excelus  
1st floor, Apollo Mills Compound,  
N. M. Joshi Marg, Mahalakshmi,  
Mumbai 400 011  
India

### SOLICITORS

CRAWFORD BAYLEY & CO.  
State Bank Building, 4th Floor,  
Hutatma Chowk, Fountain,  
Mumbai 400 001.  
  
UDWADIA UDESHI & ARGUS PARTNERS  
Elphinstone House, 1st Floor,  
17, Murzban Road, Fort,  
Mumbai 400 001.

# The Bombay Burmah Trading Corporation, Limited

## LOCATION OF CORPORATION'S ESTATES AND FACTORIES

Tea and Coffee Estates	: (1) Mudis Group of Estates, Mudis P.O., Coimbatore Dist., Tamil Nadu 642 117.
	(2) Singampatti Group of Estates, Manjolai P.O., Tirunelveli Dist., Tamil Nadu 627 420.
	(3) Dunsandle Estate, Dunsandle P.O., Ootacamund, Nilgiri Dist., Tamil Nadu 643 005.
	(4) Elk Hill Group of Estates, P.O. Box No. 12, Sidapur P. & T.O., South Coorg, Karnataka 571 253.
	(5) Usambara Group, Marvera & Herkulu Estate, P.O. Box 22, Soni, Tanzania.
Weighing Products Division	: Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad, Gujarat 396 035.
Dental Products of India Division	: Plot No. 161-B, Village Danpur, Rudrapur Kashipur Road, Paragana-Rudrapur, Tehsil Kichha Udhamsingh Nagar Uttarakhand 263 153.
Auto Ancillary Division	: Plot no. 128-133, 3rd Cross Street, Nehru Nagar, Kottivakkam, Chennai, Tamil Nadu - 600 041.
Malaysian Branch	: Suite 628, 6th Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.

## **NOTICE**

NOTICE is hereby given that the One Hundred and Forty Eighth Annual General Meeting of the members of the Corporation will be held on Wednesday, the 7th day of August, 2013 at 3:45 pm at Rama Watumull Auditorium, K C College, Dinshaw Vachha Road, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Hirjee, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. K. Cassels, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs B S R & Co., Chartered Accountants (Registration No. 101248W), be and are hereby appointed Auditors of the Corporation, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Corporation at such remuneration and on such terms and conditions, as may be fixed by the Board of Directors.”

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

“RESOLVED THAT pursuant to Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chennai, Chartered Accountants (Registration No.008072S), be and are hereby appointed as the Branch Auditors for auditing the accounts of the branches of the Corporation in South India, for the current financial year, at such remuneration and other terms and conditions as may be fixed by the Board of Directors.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to appoint for the current financial year, in consultation with the Corporation's Auditors namely Messrs B S R & Co., 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 in accordance with the laws of the concerned countries; and to fix the remuneration and other 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 a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 309 and other applicable provisions of the Companies Act, 1956, the Corporation be and is hereby authorized to pay to its Directors, not being a Managing Director or Whole-time Director, such Commission as the Board of Directors may determine from time to time not exceeding 1% of the net profits of the

# The Bombay Burmah Trading Corporation, Limited

Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for a period of five financial years commencing 1st April, 2013.

"RESOLVED FURTHER THAT such commission be divisible amongst the Directors as aforesaid in such proportion as the Board may determine or failing such determination, as the Chairman for the time being of the Board may decide from time to time and for determining the Commission payable for any broken period of a year in pursuance of the above resolution, the net profits of the Corporation shall be arrived at on a proportionate basis.

"RESOLVED FURTHER that if at any time the Corporation does not have a Managing Director or Whole-time Director, then the Corporation may pay to its Directors as aforesaid, such Commission as the Board of Directors may determine from time to time not exceeding 3% of the net profits of the Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for that year(s)."

By Order of the Board,

N. H. DATANWALA  
Vice President Corporate &  
Company Secretary

## *Registered Office:*

9, Wallace Street, Fort,  
Mumbai 400 001

Dated, the 28th May, 2013

## 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.

A blank form of proxy is enclosed and, if intended to be used, it should be returned to the Corporation duly completed not less than forty-eight hours before the time appointed for this Annual General Meeting.

2. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Saturday, 27th July, 2013 to Wednesday, 7th August, 2013 (both days inclusive).
3. Warrants in respect of dividend, if declared, will be paid to the members on or after 14th August, 2013. Dividend will be payable on and from that date to those members whose names stand on the Register of Members of the Corporation as on 26th July, 2013. Dividend in respect of shares held in dematerialized form will be payable to the beneficial owners of shares at the close of business on 26th July, 2013 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
4. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their demat accounts, and to the Corporation's Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. (**Sharepro**), at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical shareholdings quoting their folio numbers.
5. Members are advised to submit their Electronic Clearing Service (ECS) mandates to Sharepro at either of the aforesaid addresses to facilitate remittance of dividend by means of ECS.



6. **Members may please note that as per Circular no. CIR/MRD/DP/10/2013 dated March 21, 2013 issued by the Securities Exchange Board of India (SEBI), it is mandatorily required to print members' bank account details on the dividend warrants. Those members who have not furnished their bank account details may furnish the same to Sharepro on or before 26th July, 2013.**

**Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Corporation for payment of dividend. Any changes in the bank particulars are to be advised by the members only to the Depository Participant. The Corporation or Sharepro shall not act on any request received directly from members for such changes.**

**Further, instructions given by the members for shares held in physical mode would not be applicable to the dividend payable on the shares held by them in dematerialised form.**

7. **Members are advised, in their own interest that all communications to the Corporation or Sharepro 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.**
8. **Dividends remaining unclaimed or unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government in accordance with Section 205C of the Companies Act, 1956. Accordingly, the unclaimed dividend for the year 2004-2005 was transferred to the IEPF by the Corporation on 31st August, 2012. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the details of unpaid and unclaimed dividend amounts lying with the Corporation as on 8th August, 2012 (date of last Annual General Meeting) has been uploaded on the Ministry of Corporate Affairs website. The details are also available on the Corporation's website ([www.bbtcl.com](http://www.bbtcl.com)).**

**During the current financial year, the Corporation will be required to transfer the unclaimed dividend for the year ended 31st March, 2006 to the IEPF on 30th August, 2013. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2006 are requested to submit their claim to the Corporation or Sharepro at the earliest but not later than 20th August, 2013. Members may please note that once the unclaimed dividend is transferred to the IEPF as aforesaid, no claim shall lie in respect of such amount with the Corporation.**

9. **SEBI has also mandated the submission of Permanent Account Number (PAN) by members. Therefore, members holding shares in physical form are requested to submit their PAN to the Corporation or Sharepro and members holding shares in electronic form may submit their PAN to their respective Depository Participants.**
10. **The equity shares of the Corporation are listed at the Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and the National Stock Exchange of India, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The annual listing fees as prescribed has been paid to both stock exchanges.**
11. **As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs has allowed companies to send official documents through electronic mode. In order to enable the Corporation to be a part of the said 'Green Initiative', members are requested to provide/update their e-mail address to the dedicated email address, i.e. [bombayburmah@shareproservices.com](mailto:bombayburmah@shareproservices.com) or login at Sharepro's website <http://www.shareproservices.com> and register their request. Annual Report 2012-2013 is being sent by electronic mode to members whose email addresses are currently available with Sharepro. However, physical copies of Annual Report will be available at the Registered Office and shall be sent to any member on receipt of a requisition in this regard. Members are also informed that the**

# The Bombay Burmah Trading Corporation, Limited

full text of all Notices, Reports etc. sent by email to them will also be made available on our website ([www.bbtcl.com](http://www.bbtcl.com)).

12. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
13. 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.
14. Pursuant to the requirement of Clause 49 of the Listing Agreements, the requisite information pertaining to Mr. Nusli N. Wadia, Mr. A. K. Hirjee and Mr. Patrick Cassels who retire by rotation and are eligible for re-appointment are as follows:

## **Mr. Nusli N. Wadia:**

Mr. Nusli Wadia, is a well-known Indian industrialist heading the Wadia Group of companies besides being a director on the Board of several Indian and foreign companies. He joined the Corporation as director in October, 1980 and has been the Chairman of the Corporation since 27th July, 1982. Having extensive experience and expertise in general business management and finance, Mr. Wadia has contributed actively in the deliberations of various organizations like Cotton Textiles Export Promotion Council (TEXPROCIL), Associated Chambers of Commerce and Industry of India, Mill Owners' Association (MOA) etc. He is the former Chairman of TEXPROCIL and also of MOA. He was on the Prime Minister's Council on Trade and Industry during the period 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries' Management Policy in September, 1998. He was also a Member of the Special Subject Group to review regulations & procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of the ICMF from 1984-85 to 1990-91 and is a Trustee of the Executive Committee of the prestigious Nehru Centre. Mr. Nusli Wadia has a distinct presence in public affairs and has been actively associated with leading charitable and educational institutions.

Mr. Wadia holds 61,41,505 shares of the Corporation and his other directorships include The Bombay Dyeing & Manufacturing Co. Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Wadia Techno Engineering Services Limited, Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd. besides directorship in 7 foreign companies and 2 private companies.

He is also on the Remuneration Committee of The Bombay Dyeing & Manufacturing Co. Ltd., Britannia Industries Ltd., Tata Steel Ltd., Tata Chemicals Ltd. (Chairman) and Tata Motors Ltd. (Chairman) and the Chairman of the Nomination Committees of Britannia Industries Ltd., Tata Motors Limited and Tata Steel Limited.

## **Mr. A. K. Hirjee:**

Mr. A. K. Hirjee is B.A. (Hons.), LL.B. (Hons), Barrister-at-Law and SLOAN Fellow of London Business School, having over fifty years of experience in different areas of business management. He was the Managing Director of the Corporation from 1st October, 1988 till 30th September, 1998 and is currently the Vice-Chairman of the Corporation. His areas of expertise include finance, banking, legal, commercial, industrial and general administration. Mr. Hirjee is also actively associated with leading charitable institutions.

Mr. Hirjee holds 1750 shares of the Corporation.

Besides being the Chairman of Atlas Copco (India) Ltd. and HDFC Trustee Co. Ltd., Mr. Hirjee is also a director in The Bombay Dyeing & Manufacturing Co. Ltd., Britannia Industries Ltd., 8 foreign companies and 2 private companies.

Mr. Hirjee is a member of the Audit Committees of Atlas Copco (India) Ltd. (Chairman), HDFC Trustee Co. Ltd. (Chairman) and Britannia Industries Ltd., the Remuneration Committees of Atlas Copco (India) Ltd. (Chairman) and The Bombay Dyeing & Manufacturing Co. Ltd., and