



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

A Wadia Enterprise

149th Annual Report 2014

A Tradition of Trust

Contents

Location of Corporation's Estates and Factories	2
Notice of Annual General Meeting	3-15
Directors' Report	16-23
Management Discussion and Analysis	24-28
Corporate Governance Report	29-40
Auditors' Report	41-45
Financial Statements - Standalone	46-49
Notes forming part of Standalone Financial Statements	50-83
Auditors' Report on Consolidated Financial Statements	84-85
Consolidated Financial Statements	86-89
Notes forming part of the Consolidated Financial Statements	90-131
Summarised Statement of Financials of Subsidiary Companies	132-137
10 Years' Financial Review	138

149th Annual General Meeting
Wednesday, 13th August 2014, 4 pm; Y B Chavan Auditorium, Gen Jagannath Bhosle Marg,
Nariman Point, Mumbai – 400 021.

The Bombay Burmah Trading Corporation, Limited

ANNUAL REPORT 2013-2014

DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*
A. K. HIRJEE, Esq., *Vice Chairman*
KESHUB MAHINDRA, Esq., (*upto 13.02.2014*)
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., LLP
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 Ninth Annual General Meeting of the Members of the Corporation will be held on Wednesday, the 13th day of August, 2014 at 4:00 pm at Y B Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2014 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. Jeh Wadia (DIN: 00088831) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Messrs B S R & Co. LLP, Chartered Accountants (Registration No. 101248W), be and are hereby appointed the Statutory Auditors of the Corporation, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the sixth consecutive AGM of the Corporation (subject to ratification of the appointment by the members at every AGM held after this AGM) at a remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.”

5. To appoint Branch Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 143 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, 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, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM), at a remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.”

“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. LLP, 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 141 of the Companies Act, 2013 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.”

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014

The Bombay Burmah Trading Corporation, Limited

(including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. GLS & Associates, Cost & Management Accountants, Coimbatore, (ICWA Registration No. M 4482) appointed as Cost Auditors by the Board of Directors on the recommendation of the Audit Committee, for the financial year ending 31st March, 2015 be paid remuneration of ₹ 2,00,000/- (Rupees Two lakhs only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

"RESOLVED FURTHER THAT the Board of Directors of the Corporation be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification (s) or re-enactment thereof, for the time being in force) Mr. A. K. Hirjee (DIN: 00044765), a Non-Executive Director of the Corporation who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Corporation, for a term of five consecutive years with effect from 13th August, 2014 upto 12th August, 2019."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. M. L Apte (DIN: 00003656), a Non-Executive Director of the Corporation who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Corporation, for a term of five consecutive years with effect from 13th August, 2014 upto 12th August, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. D. E. Udawadia (DIN: 00009755), a Non-Executive Director of the Corporation who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Corporation, for a term of five consecutive years with effect from 13th August, 2014 upto 12th August, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies

(Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. P. K. Cassels (DIN: 00629078), a Non-Executive Director of the Corporation who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Corporation, for a term of five consecutive years with effect from 13th August, 2014 upto 12th August, 2019."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. B. N. B. Tao (DIN: 00629007), a Non-Executive Director of the Corporation who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Corporation, for a term of five consecutive years with effect from 13th August, 2014 upto 12th August, 2019."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Corporation held on 31st July, 2007, and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Corporation be and is hereby accorded to the Board of Directors ('the Board') to borrow from time to time, apart from temporary loans obtained from the Corporation's bankers in the ordinary course of business, such sum or sums of money as they may deem necessary for the purpose of the business of the Corporation, not exceeding at any time the sum of ₹ 600 crores over and above 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 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 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.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting of the Corporation held on 28th July, 2009, and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time consent of the Corporation be and is hereby accorded to the Board of Directors ('the Board') for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Corporation on all or any movable and immovable properties of the Corporation wherever situated, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Corporation in certain events, to

The Bombay Burmah Trading Corporation, Limited

or in favour of banks, financial institutions, Insurance Companies, Investment Institutions, other investing agencies, bodies corporate, debenture trustees or any other secured lenders ('the lenders') to secure repayment of any loans and/or any other financial assistance and/or guarantee facilities already obtained or any other indebtedness incurred by the Corporation upto an amount not exceeding ₹ 600 crores over the aggregate of the paid-up capital and free reserves of the Corporation apart from temporary loans obtained from the Corporation's bankers in the ordinary course of business.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and execute documents, instruments and writings for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary for giving effect to the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto, in the best interest of the Corporation."

By Order of the Board,

N. H. DATANWALA
Vice President Corporate &
Company Secretary

Registered Office:

9, Wallace Street, Fort,
Mumbai 400 001

Date: 27th May, 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE CORPORATION. However, a person may act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Corporation. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Corporation carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the Registered offices of the Corporation, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto as Annexure I.
3. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are hereto annexed as Annexure II.
4. The Register of Members and the Share Transfer Books of the Corporation will be closed from Saturday, 2nd August, 2014 to Wednesday, 13th August, 2014 (both days inclusive).
5. Dividend, if declared at the Annual General Meeting, shall be paid to the members on or after Wednesday, 20th August, 2014 to those members whose names appear on the Register of Members of the Corporation after giving effect to all valid share transfers lodged with the

Corporation's Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. on or before 1st August, 2014 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend will be paid on or after Wednesday, 20th August, 2014 to the beneficial owners of shares as at the closing hours of 1st August, 2014 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

6. 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.
7. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by Companies for distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Corporation or its Registrar and Share Transfer Agents.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Corporation for payment of dividend. The Corporation or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

8. Pursuant to the provisions of Sections 205A and 205C and other applicable provisions of the Companies Act, 1956, dividends for the financial year ended 31st March, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Corporation are due for transfer to the Investor Education & Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2006-2007	31.07.2007	30.07.2014	5.09.2014
2007-2008	30.07.2008	29.07.2015	4.09.2015
2008-2009	28.07.2009	27.07.2016	2.09.2016
2009-2010	10.08.2010	9.08.2017	15.09.2017
2010-2011	5.08.2011	4.08.2018	10.09.2018
2011-2012	8.08.2012	7.08.2019	13.09.2019
2012-2013	7.08.2013	6.08.2020	12.09.2020

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Registrars at either of the aforesaid addresses immediately quoting their folio number/DP ID & Client ID.

10. Members holding shares in physical form may avail themselves of the facility of nomination in terms of section 72 of the Companies Act, 2013 by nominating a person to whom their securities shall vest in the event of their death. The prescribed form may be obtained from the Corporation's Registered Office at 9, Wallace Street, Fort, Mumbai 400 001 or from the Registrars.

The Bombay Burmah Trading Corporation, Limited

11. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Corporation's Green Initiative, the Corporation may propose to send documents like Notice convening General Meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members. We therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to provide/update their email addresses giving their Registered Folio Number and/or DP ID/Client ID to the dedicated email address at bombayburmah@shareproservices.com or login at Sharepro's website <http://www.shareproservices.com> and register their request. Members are also informed that the full text of all Notices, Reports etc. sent by email to them will also be made available on our website (www.bbtcl.com).

12. 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.
13. Members intending to require information about the Financial Statements, to be explained at the Meeting are requested to inform the Corporation at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
14. Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
15. Members are requested to bring their copy of the Annual Report to the meeting.
16. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Corporation is pleased to provide the facility to exercise members' right to vote at the 149th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving email:

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Company "The Bombay Burmah Trading Corporation Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Corporation (6 digit AlphaNumeric).
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.